

BUWOG acquires portfolio with 1,190 flats in Kassel

- **88,483 sqm of lettable space in three locations in the southwest of the city**
- **Low vacancy rate and average rents with upward potential**
- **Kassel is one of Germany's economically most dynamic cities**

BUWOG, a wholly-owned subsidiary of IMMOFINANZ Group, has completed another acquisition in Germany. A portfolio with total lettable space of 88,483 sqm was purchased in Kassel; the package's 1,190 flats are situated in three locations in the southwestern part of the city. The purchase price is EUR 45.8 million, the gross return is 9.16 percent.

The portfolio stands out due to a very low vacancy rate of just 2.49 percent and a stable tenant mix with low fluctuation. The average rent of EUR 4.05 / sqm is below the market average for Kassel and therefore indicates a commensurate upward potential as well.

Nearly three quarters of the portfolio are accounted for by the Kassel-Waldau location near the centre, nearly one quarter by Kassel-Oberzwehren, the small remainder by Kassel-Eichwald. The actual rental revenues reach a total of EUR 4.2 million per year.

With 200,000 residents, Kassel is an attractive medium-sized market and its favourable business development – in the most important location rankings the city is listed among Germany's top 10 most dynamic cities – ensures excellent prospects for it. The central location in Germany and outstanding connection to the high-speed rail network are other advantages.

"Our acquisition strategy differs from those of numerous competitors in that we are not focused on the biggest, but on the best markets. For us the decisive criteria are the upward potential for rents and the opportunity to grow further at one location", says BUWOG Managing Director Alexander Hoff. "The Kassel portfolio was an excellent buying opportunity with high yields and sound pricing, and for that reason we are also exploring other potential acquisitions in the city".

With the purchase in Kassel, BUWOG has already completed the third major acquisition in Germany this year following the purchase of a portfolio in Berlin (1,916 flats) and an additional portfolio in Northern Germany (900 flats in Lüneburg and Syke). BUWOG's existing residential portfolio in Germany thus includes 6,300 units; there are also 1,500 flats in the subsidiary BUWOG Meermann's development projects.

In Austria, however, BUWOG sold portfolios in Upper Austria and Carinthia as well as further properties in other provinces with a total of more than 2,000 flats in 2013. Thus additional important steps were taken in the scope of the strategy for Austria, which plans to concentrate portfolio and building activities on the Vienna market.

BUWOG:

The BUWOG Group (BUWOG and ESG–Villach), is the leading private residential property company in Austria with a portfolio of approx. 33,500 rental and privately-owned flats (27,200 in Austria, 6,300 in Germany). With a new construction volume of around 700 flats in greater Vienna each year, the BUWOG Group is one of the most active residential builders and property developers in Austria. Together with its facility management subsidiary BUWOG FM, the group manages 2,300 residential, office, retail, and hotel properties with 3.8 million sqm of usable space, which also makes it the leading property facility manager in Austria.

BUWOG Group's most important growth market is the German residential property market, particularly Berlin and the northern states. In 2012 BUWOG also entered the Berlin market in new residential construction with the takeover of a renowned Berlin development company and is developing a project pipeline of about 1,500 flats.

BUWOG is a wholly-owned subsidiary of the listed company IMMOFINANZ AG.

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