

## **BUWOG sells the majority of its Upper Austrian portfolios**

- **48 properties with 1,135 residential units and lettable space totalling nearly 84,000 sqm**
- **Buyer WAG therefore reinforces its leading position in Upper Austria**
- **BUWOG focuses on Vienna and expansion in Germany**

BUWOG, a wholly-owned subsidiary of the listed IMMOFINANZ Group, has sold a majority of its residential portfolio in Upper Austria. The portfolio includes 48 properties with 1,135 flats and lettable space totalling nearly 84,000 sqm. The buyer of the BUWOG portfolio is the Linz-based residential building company WAG, which has further reinforced its leading market position in Upper Austria with this acquisition. The transaction was made above carrying value. The two partners to the contract have agreed not to disclose any information on the purchase price.

The largest stakes are accounted for by Linz and its surroundings with 303 flats, Wels and Steyr with 253 flats as well as additional district capitals with 445 flats and other municipalities with 134 flats. In Upper Austria BUWOG still retains 18 properties and co-ownership stakes with 693 flats and 51,128 sqm of lettable space.

After the sale of the Vorarlberg portfolio and parts of its portfolio in Styria and Carinthia, the sale of the Upper Austrian portfolio is another step toward concentrating on the company's core markets for BUWOG. In Austria the focus is on greater Vienna, in the future market of Germany the northern federal states and capital Berlin. "We are therefore continuing to systematically implement our IPO-related strategy and will invest the funds we generate from these sales in these two core markets", says Managing Director Alexander Hoff.

BUWOG is currently reviewing several portfolio acquisitions on the German market. The aim of gradually shifting the portfolio to Germany is an increase in gross rental income and a clearer positioning in the German residential peer group.

"With WAG we've found a truly ideal partner for our Upper Austrian portfolio", says Hoff. "WAG is at home in Upper Austria, but its portfolio is similarly structured and the company is an experienced and renowned specialist in the area of subsidised residential building. The sale does not present the slightest disadvantage to the former BUWOG and future WAG tenants. Through the ongoing property management our tenants will even profit from belonging to a local Upper Austrian company".

### **BUWOG Group:**

The BUWOG Group (BUWOG and ESG–Villach), is the leading private residential property company in Austria with a portfolio of nearly 33,000 rental and privately-owned flats (28,600 in Austria, 4,200 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 BUWOG the leading property facility manager in Austria.

BUWOG Group's most important growth market is the German residential property market. The company has been present there since 2010 with a portfolio of now more than 4,000 flats in Berlin. With the takeover of a renowned Berlin development company, in 2012 BUWOG also entered the Berlin market in new residential construction and is developing a project pipeline of about 1,400 flats.

BUWOG and ESG are wholly-owned subsidiaries of the listed company IMMOFINANZ AG.

### **WAG:**

WAG operates in the areas of residential property, building and services. With 21,800 of its own flats, 35,300 of its own and managed units, 200 employees in a total of eight locations, and revenues of EUR 100.8 million (financial year 2012), WAG is the biggest residential property company in Upper Austria.

### **More information:**

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