

Hamburg, 5 October 2018

## **Union Investment acquires hotel portfolio from benchmark. REAL Estate**

### **Four development projects comprising 675 rooms in total / Acquisition for immofonds 1 and a special hotel fund**

Union Investment has secured a portfolio of four hotel development projects from benchmark. REAL Estate Development (benchmark.) via a forward purchase agreement. Three hotels to be built in Dresden, Oberhausen, and Eschborn will be transferred to the holdings of open-ended real estate fund immofonds 1. The fund is marketed exclusively in Austria. An additional planned hotel property in Freiburg im Breisgau is being acquired for special fund UII Hotel Nr. 1. The parties agreed not to disclose the purchase price. The portfolio contains two future Super 8-branded hotels and two planned long-stay formats by Hyatt House and Adagio Access. Long-term leases with a 25-year term have been agreed for all four development projects. Union Investment was advised on the transaction by Clifford Chance. Law firm Bornheim und Partner and Berlin-based consultancy Colliers International Hotel supported benchmark.

“The portfolio developed by benchmark. meets our high acquisition criteria and we are confident of the sustainability of these development projects. With their tailored concepts, all four hotels provide precisely what travellers are looking for at the respective location,” said Andreas Löcher, head of Investment Management Hospitality at Union Investment Real Estate GmbH. “The future outlook makes us optimistic about the hotels’ ability to generate strong long-term income.”

The hotels in Dresden and Oberhausen will operate under the Super 8 brand. The development project in Dresden will be constructed on Antonstrasse 43 on the northern side of the river Elbe in the Innere Neustadt district, in the immediate vicinity of Dresden-Neustadt railway station. With completion planned for the third quarter of 2019, the hotel will have a capacity of 176 rooms. The future operator is Primestar Hospitality GmbH.

The planned Super 8 hotel in Oberhausen will be built at Brammenring 111 in the Neue Mitte district. Upon completion in the third quarter of 2019, it will offer 156 rooms. Travellers using the hotel will be within easy reach of the main demand generators in this submarket, including the

CentrO shopping centre, Metronom theatre and the multi-functional König-Pilsener-Arena venue. In addition, a business park currently under construction will further boost demand for accommodation from business travellers. The future operator is GS Star GmbH.

The largest hotel in the acquired portfolio is a long-stay Hyatt House. The 190 rooms include a living area and integrated kitchen and are targeted at extended-stay guests. Eschborn is an important commercial location and also close to Frankfurt am Main. There are good public and private transport links to Frankfurt airport and city centre, as well as to the city's trade show site. Completion of the hotel is scheduled for the first quarter of 2020. The Hyatt House will then be operated by the HR Group.

The long-stay concept planned for Freiburg im Breisgau by Adagio Access, a Pierre & Vacances and Accor joint venture, is likewise scheduled for completion in the first quarter of 2020. Located on Eugen-Martin-Strasse in the north of the city, the hotel will provide 153 economy class rooms. This new development will also be operated by the HR Group after completion.

Benchmark, managing partner Götz U. Hufenbach: "When developing budget hotels, we focus on central locations, strong brands and experienced operators. By doing so, we create attractive investments for institutional investors." Martin Hantel, managing partner at benchmark., adds: "Selling the portfolio via a forward purchase agreement underlines our standing as a reliable business partner for institutional investors."

The acquisition of the three development projects in Dresden, Oberhausen and Eschborn significantly expands the hotel portfolio of immofonds 1. Up until now, the fund has held three hotel properties worth a total of approximately EUR 45 million in Vienna, Innsbruck and Dresden. The portfolio of special fund UII Hotel Nr. 1 contains 13 hotel properties and development projects following the acquisition in Freiburg im Breisgau.

## **About benchmark:**

benchmark, REAL Estate GmbH designs, plans, realises and markets real estate projects in future growth regions in Germany. Focusing on office, hotel and residential real estate, and with offices in Frankfurt am Main, Duisburg and Berlin, the company offers services along the entire real estate development value chain. It develops sustainable, turnkey projects featuring high construction quality, which are then handed over to institutional investors or family offices. The management team has combined expertise in the development project business of almost 50 years and a corresponding track record.

## **About Union Investment:**

Union Investment stands for forward-looking real estate investment worldwide. We provide private and institutional property investors with a comprehensive investment platform. Union Investment currently has assets under management totalling around EUR 35.3 billion in its open-ended retail real estate funds, special funds and via service and pooling mandates. We invest in the office, retail, hotel, logistics and residential sectors and hold 375 properties across 22 countries in our actively managed portfolio.

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