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## *Press Release*

### **HIH-Group continues its growth trajectory in 2016**

- More than EUR 13.8 billion of assets under administration
- 2016 Warburg-HIH Invest transaction volume totals ca. EUR 1.88 billion, including EUR 574 million overseas investment
- Fund administration, property management and lease management service divisions especially successful

**Hamburg, 9. Januar 2017** –The HIH-Group has continued its trajectory of constant growth and increased its volume of assets under administration to more than EUR 13.8 billion. In comparison, at the end of 2015, the company had EUR 11.6 billion of assets under administration. The HIH-Group comprises HIH Real Estate (HIH) and a number of other subsidiary companies, including Warburg-HIH Invest Real Estate (Warburg-HIH Invest) and IntReal International Real Estate KVG (IntReal), along with HIH Property Management GmbH (HPM). As an active investment and fund manager, Warburg-HIH Invest I is, together with IntReal, which acts as a Service-KVG, Germany’s largest provider of special real estate AIFs according to BVI statistics published on October 31, 2016.

The value of the real estate assets under administration by Warburg-HIH Invest had increased to EUR 5.9 billion by the end of 2016 (2015: EUR 5.2 billion). The portfolio of the capital management company (KVG) is made up of 26 special real estate AIFs and 8 limited investment partnerships. Together with further asset management mandates held by HIH Real Estate, the value of the group’s entire portfolio of assets under active management totals EUR 6.6 billion.

In total, Warburg-HIH Invest reported a transaction volume of around EUR 1.88 billion for 2016. Of this total, EUR 1.07 billion involved acquisitions (2015: EUR 735 million) and EUR 807 million was attributable to sales (2015: EUR 1.29 billion). The transaction volume for 2015 was EUR 2.03 billion. “The year-over-year increase in acquisition volumes demonstrates our investment strength in an extremely tight market”, said Erik Marienfeldt, Managing Director of HIH Real Estate. The higher sales volume in 2015 was primarily the result of a number of bulk property sales and the profit realisation of three properties in London in autumn 2015.



The newly acquired real estate includes a number of German office properties, such as “MesseCity Köln”, “Global Gate II” in Düsseldorf, the Polish office properties “Aleja Pokoju” in Krakow and “Prime Corporate Center” in Warsaw as well as the office property “2 West Regent Street” in Glasgow, Scotland. Retail properties were acquired in Berlin, Hamburg and Dresden. The sales side was dominated by the strategic sales of a number of individual objects, such as the “Altezza” office building in Munich, or the “Atlantis Retail Park” in France. All in all, 42 acquisition and sales transactions were concluded.

Throughout 2016, the trend toward individual funds and individual mandates strengthened. “German institutional investors continue to expand their real estate portfolios and clients are increasingly mandating us to develop highly individualised solutions”, explained Marienfeldt. This trend is particularly evident on the acquisition side. More than two-thirds of the acquisitions were made for capital management companies or Club Deals.

Warburg-HIH Invest was also highly active across Europe. The company’s foreign transaction volume amounted to EUR 574 million in 2016. Alongside Germany, transactions were undertaken in seven other European countries. “Warburg-HIH Invest is a pan-European investment manager. On the basis of our extensive research, we identify real estate markets for which we expect long-term positive growth, while simultaneously taking advantage of opportunities to engage in anti-cyclical investments”, said Marienfeldt. France and Spain have both recently seen the openings of new office complexes, which allows more intensive market observation and greater penetration of the market.

Investment activities continue to focus on the Netherlands (and the Benelux countries in general), the UK, Austria, Poland, the Czech Republic, Sweden and Denmark, as well as France and Spain. The company expects to complete further acquisitions as early as Q1 2017, including in Poland and the Netherlands.

In terms of the total transaction volume for 2016, an overwhelming majority of acquisitions involved property developments. Seven developments in Germany and abroad, with a combined volume of EUR 562 million, were acquired in 2016. “We were able to acquire a large number of premium core objects at a very early stage of their development, thereby securing extremely favourable initial conditions for our investors. Our broad expertise allows us to realistically assess development risks and, where problems may develop, we are well positioned to provide timely and efficient support and solutions”, said Jens Nietner, also Managing Director of HIH Real Estate, whose responsibilities include the property development division.

HIH’s service divisions registered extremely strong growth during the last calendar year. The asset management division increased the volume of assets under management to roughly EUR 5.1 billion (prior year: EUR 4.56 billion). The lease management division agreed new leases for a total of 158,000 square metres in 2016. This total was split approximately equally between new leases and lease extensions. As in



2015, around a third of the new leases were concluded on behalf of external clients. The lease management team's successes included securing the full occupancy of the "KölnTriangle" office tower's 18,000 square metres following the departure of the building's anchor tenant, and the long-term leasing of offices in "Wallhöfe" in Hamburg within just a few weeks of assuming the lease management mandate for the property.

The property management division acquired mandates for 50 new objects, thereby increasing the volume of real estate assets under management to approximately EUR 6.1 billion, clearly outdoing the previous year's total of EUR 5.1 billion. At 65 percent, the proportion of properties managed on behalf of external clients represented almost two-thirds of the division's mandates. HPM once again occupied first place in the Bell Management Consultants' 2016 Property Management Report. For the fifth time, HPM secured the title as best property manager for office real estate in Germany in the category "Companies < EUR 18 million turnover".

As a further component in its strategic development, HIH Real Estate GmbH expanded the range of services offered by the group in 2016 to provide independent advice to institutional portfolio holders and investors. HIH Institutional Advisory GmbH offers German and international clients a comprehensive spectrum of property and portfolio-related advisory services, and goes one step further in taking responsibility for the practical implementation of concrete measures. The newly founded HIH Institutional Advisory is led by Eitel Coridaß, FRICS, who draws on 20 years of experience in institutional investment and management and has been working for the HIH-Group since 2007.

"Now, more than ever, the key task of real estate investment managers is the identification, optimisation and safeguarding of profitability. Especially in the current high price environment, we place great importance on developing sustainable investment solutions. Thanks to our excellent market access and our sure-handedness in the realization of transactions, coupled with our service competence, we are often able to win mandates in markets characterized by asset shortages and to deliver successful investments in the best interest of our investors". added Marienfeldt.

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**Erik Marienfeldt, Managing Director**  
**HIH Real Estate**

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*“HIH Property Management has distinguished itself with its continuous market leadership and continual growth in external client mandates.”*

**Jens Nietner, Managing Director**  
**HIH Real Estate**

## About HIH Real Estate

HIH Real Estate (HIH) has combined property-related investment and service activities for the Warburg Group for many years. With assets of more than EUR 13.8 billion under management, HIH Real Estate is one of Germany's biggest independent managers for real estate investments. Services include asset management, letting management, property management, project development and institutional advisory. HIH Real Estate maintains head offices in Hamburg and, including subsidiaries and affiliates, employs 460 professionals.

More information can be found on the company's website at: [www.hih.de/en](http://www.hih.de/en)

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