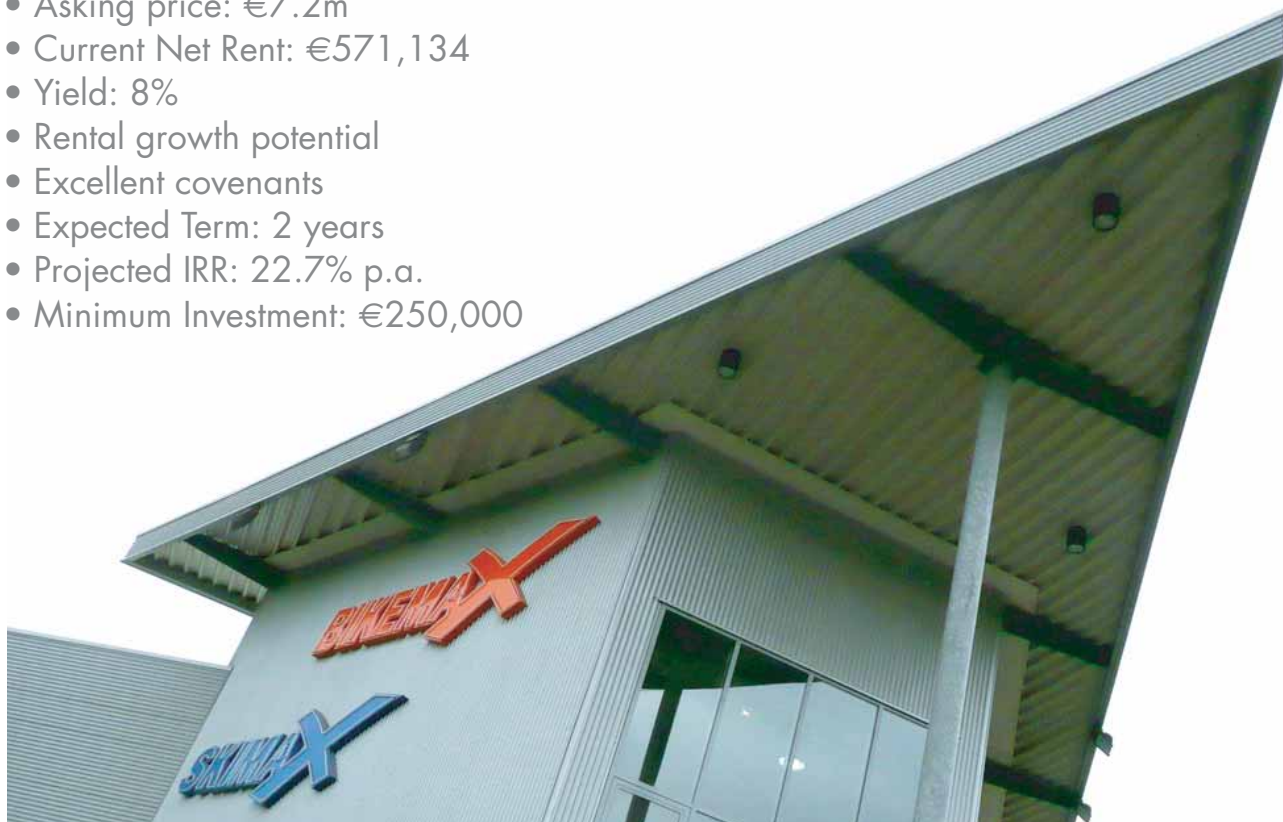




# AUGUSTA PRIVATE

## Retail Centre, Friedrich-Bergius-Strasse, Wiesbaden, Germany

- Asking price: €7.2m
- Current Net Rent: €571,134
- Yield: 8%
- Rental growth potential
- Excellent covenants
- Expected Term: 2 years
- Projected IRR: 22.7% p.a.
- Minimum Investment: €250,000



### Location:

Wiesbaden is one of Germany's most affluent cities and ranks in the top 10 based on economic indicators. Influential German business magazine "Cash" rated Wiesbaden as the second best real estate investment destination in Germany in its annual study. With high purchasing power, it has a thriving retail sector, much of which is centred on suburban retail complexes. The area around Friedrich-Bergius-Strasse is a very important example, with 2 large DIY store chains, furniture multiples, supermarkets, McDonalds – among others – represented. The property is a busy retail complex in a commanding location in this retail district.



1. OBI DIY store
2. Hornbach DIY store
3. McDonalds

## The Property:

Friedrich-Bergius-Strasse 10-16 is a self-contained complex, currently comprising four retail units and one office unit. Built in two stages – in 1995 and 2002 – it is in excellent condition. It is located on a very busy intersection at the heart of Wiesbaden's suburban retail district, with frontage onto 3 streets and vehicular access from Friedrich-Bergius-Strasse. There are approximately 75 overground parking spaces.

## Tenants:

- The retail units are fully let. The leases are held by Vodafone, Activ Sport AG (parent of the popular BikeMax SkiMax chain of stores), German café giant Tchibo and WIV Wein International AG (wine importer and parent of the Vino chain of stores).
- The office unit is currently vacant.
- Lease lengths vary, with Activ Sports and Vino running to 2017 and 2018 respectively. Tchibo's and Vodafone's leases end in 2010, when scope exists for increases or tenant rotation.
- Rent levels and demand for space in this area are strong and increasing.

## Asset Management Opportunities:

- A number of contractual index-linked rent increases are due on certain leases in 2009, 2011, 2012 and 2013, which will lift the rent to €615,071 by 2013.
- Our advisors are confident of a prompt letting of the vacant office space at €10/m<sup>2</sup>/mth. This would further increase rent to €640,664 in 2013.
- Scope exists to create an extra retail unit from un-utilised common space and an unused section of the unit let to Vodafone.

## Projected Return:

The impact of this asset management would be to lift the rent to approximately €674,000 by 2013 (9.4% yield). It is the intention, however, to sell the property after approx. 2 years with these changes in place. A rent multiplier of 14.8 (6.75% yield) is achievable – setting a realistic exit price of €9.5m. This would deliver an IRR of 22.7% over the 2-year term.

