

# The Seventh Augusta Syndicate—Germany

## Münchner Straße 18, Unterföhring, Munich, Germany



### Munich

- Population: Munich City—1,300,000
- Commerce: Economically, Munich ranks as Germany's top city
- Employment Climate: 5.6% Unemployment rate versus 7.9% in Germany
- Income per Employee: €38,804—2<sup>nd</sup> highest in Germany
- GNP contribution per Capita: €53,005—5<sup>th</sup> highest in the country

### Münchner Straße 18

- Purchase Price: €6.8 million
- Rentable Area: 2,996 m<sup>2</sup>
- Location: To the NE of city centre, beside the famous English Gardens
- Local Employers: Siemens, BMW, Allianz, Munich Re, Microsoft
- Demand for Space: More than 50,000m<sup>2</sup> in new tenancy enquiries in the Unterföhring area last year
- Rental Levels: €12-€20/m<sup>2</sup>/month in 2007



### Property Description

Münchner Straße 18 is a modern office development over two interconnected blocks, a two level east and a four level west, covering a gross rental area of almost 3,000 m<sup>2</sup>.

Fully renovated in 2001, the development was given a new, distinctive skin and was upgraded in keeping with the popularity of the district as a location for IT and media companies.

There are 87 parking spaces, spread between underground and overground capacity.

# The Seventh Augusta Syndicate—Germany

## Münchner Straße 18, Unterföhring, Munich, Germany Cntd.

### Tenancy

The property is fully let to three tenants involved in the media, IT and logistics sectors. A full tenancy schedule appears below:

Tenant	Description	Area (m²)	Annual Rent 2007
Locanis	Logistics Firm	1,236	€194,448
	33 Parking Spaces	–	€15,600
	1 Storage Space	–	€6,000
Kocher	IT Company	590	€66,043
	17 Parking Spaces	–	€3,120
	1 Storage Space	–	€2,927
WBPR	Public Relations	1,170	€45,108
	25 Parking Spaces	–	€10,339
	1 Storage Space	–	€2,927
Gehard Wolf	12 Parking Spaces	–	€7,200
TOTALS		2,996	€507,117

### Asset Management Opportunities

Planning permission has already been secured for the addition of an extra storey on Münchner Straße 18, which would create an incremental 450m² of office space. Both existing and new tenants have expressed interest in renting the additional space which underpins the rationale for expansion.

Such is the demand for space in the area that the directors are exploring the possibility of securing extended permission to further increase the development. The project will be completed by a local team on a fixed-price contract.



### Projected Exit

There is scope for rental uplift through the existing tenants due to contractual rent increases. Additionally, two leases can be renegotiated during the holding period. The demand for space and the rental growth in Unterföhring are such that the directors can be confident of signing improved lease contracts. The additional space to be created on the site will further drive rental income and set the selling price at exit to a point in the region of €8.4m, which would deliver an IRR of 14.8% per annum on a client's investment.