

# The Sixth Augusta Syndicate—Germany GmbH

## 3 Retail Properties—Kröpelinerstraße & Am Ziegenmarkt, 18055 Rostock, Germany



### Rostock

- Population: Greater Rostock—430,000
- Principal shopping town and focal point of Federal State of Mecklenburg-Vorpommern
- Tourism capital of NE Germany, with over 2 million passengers p.a. using its ferry port. Hosted last year's G8 Summit
- Commuter numbers into Rostock are increasing at amongst the highest rates in Germany
- Rostock Port: 7.5 million sqm in size, handles 8,300 ships p.a. and employs 10,000
- Other employers include Caterpillar, Liebherr, Nordex and EADS

### 3 Retail Properties

- Purchase Price: €10.75 million
- Rentable Area: 3,054m<sup>2</sup>
- Location: Pedestrianised Kröpelinerstraße is Rostock's prime retail street
- Surrounding Tenants: Citibank, C&A, Vodafone, Mexx, O2, Tommy Hilfiger, Esprit, Betty Barclay
- Footfall: 50,000 per day.



### Location

The properties are located on and just off Kröpelinerstraße, which is Rostock's leading shopping street by some margin. The newly-opened 18,500m<sup>2</sup> Kröpeliner Tor shopping centre—adjacent to one of the properties—is already fully let and attracting even greater spend to the area.

### Occupancy

The properties enjoy full occupancy of the retail units, which occupy 60% of the total rentable space. The upper floors, which comprise offices let to legal professionals, residential and some vacant space, present scope for rental uplift.

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### Tenancy

Anchor tenants in the three properties are all top covenant businesses with nationwide and/or international operations: Swedish bank SEB AG, fashion retailer Pimkie/Orsay and footwear retailer Schuh Bode. A full tenancy schedule appears below:

Tenant	Description	Area (m <sup>2</sup> )	Annual Rent 2008	Projected 2013
<b>Kröpelinerstraße 60</b>				
Orsay	Fashion Retailer	170	€145,776	€153,011
Pimkie	Fashion Retailer	170	€145,776	€153,011
Eyleen Plöger	Commercial Office	103	€8,067	€8,067
Residential Tenant	Residential Space	166	€2,346	€12,909
Vacant	Vacant Space	454	–	€24,120
<b>Kröpelinerstraße 10</b>				
Schuh Bode	Footwear Retailer	710	€182,254	€203,190
Löcker/Purath	Solicitor	104	€9,781	€10,270
Vacant	Vacant Space	103	–	€33,156
<b>Ziegenmarkt 3</b>				
SEB AG	Bank	635	€185,951	€195,248
Residential Tenant	Residential Space	82	€5,976	€6,217
Vacant	Vacant Space	82	–	€6,217
<b>TOTALS</b>		<b>2,779</b>	<b>€685,927</b>	<b>€805,416</b>

### Asset Management Opportunities

The directors believe that the (currently) non-retail space in the building offers significant potential for development. Plans with agents, architects and tenants are already ongoing to reconfigure the physical space and tenant profile to achieve maximum effect. As the cashflows required to administer the syndicate are comfortably underpinned by the anchor tenants, there is breathing room within the investment to enact these restructuring plans to the investor's benefit.

### Projected Exit

The completion of the restructure work and letting of the resultant space could signal the sale of the syndicate, if the market at the time supports the decision.

