

WARBURG-HIH INVEST REAL ESTATE

Press Release

Warburg-HIH Invest Sells Office Property in London

- Office property Friary Court in London's central insurance district
- The buyer is Chinese BCDH Capital Holding FC S.à.r.l.

Hamburg, 16 December 2015 – The Hamburg-based company Warburg-HIH Invest Real Estate GmbH (Warburg-HIH Invest) just sold the office scheme Friary Court in London. It was bought by BCDH Capital Holding FC S.à.r.l. on behalf of the state-owned Beijing Capital Development Holding Group Ltd.. The office scheme belonged to a closed-end public fund and due to a very favourable market situation, the sale could already be realised some years before the end of the fund's planned term. The sales price achieved equalled GBP 65.5 million and brings the fund investors a significant double-digit return on equity per year (before currency gains).

HIH Global Invest (now Warburg-HIH Invest) acquired the asset, which was built in the 1980s, after extensive refurbishment in the year 2009 including a long lease term based on a yield of about net seven percent. The office scheme is located in the insurance district (EC 3) adjoining the east of the City of London near the insurance market of Lloyd's of London. The property, which is occupied by the international law firm Holman Fenwick Willan LLP on a lease ending in 2023, comes with excellent public transportation links, and benefits from its proximity to numerous tourist sites such as the Tower of London and the iconic skyscraper The Gherkin.

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“Having acquired the property during a slow market cycle at the peak of the financial crisis, we now took advantage of the sellers' market and sold the asset to a price exceeding about 50 percent the purchasing price we paid. We are very happy that the appreciation the British Pound realised against the Euro since the property's acquisition until now increases our investors' success even more. Inversely, the buyer may count on long-term security of income from the property because of the still long remaining lease term and the anticipated appreciation of the surrounding area due to several project developments.”

**Andreas Schultz, Managing Director
at Warburg-HIH Invest**



ation the British Pound realised against the Euro since the property's acquisition until now increases our investors' success even more," said Andreas Schultz, Managing Director of Warburg-HIH Invest and in charge of the Transaction Management International division. "Inversely, the buyer may count on long-term security of income from the property because of the still long remaining lease term and the anticipated appreciation of the surrounding area due to several project developments."

On the seller side, the transaction was facilitated by Travers Smith, with CBRE and Bilfinger GVA advising the seller. Legal counsel to the buyer was provided by Allen & Overy, while Cushman & Wakefield acted as advisers to the buyers.

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About Warburg-HIH Invest

Warburg-HIH Invest Real Estate (Warburg-HIH Invest) is a real estate investment manager serving institutional investors and covering the entire spectrum of national and international real estate investments. Warburg-HIH Invest is one of Germany's leading managers of special AIF for real estate, with real estate assets of more than EUR 5.0 billion under management. Warburg-HIH Invest can demonstrate a comprehensive track record in designing and implementing bespoke investment solutions. Warburg-HIH Invest, as a quality provider, supplies products and services with added value. This pursuit matches the quality standards set by both of its shareholders, HIH Real Estate and the private bank M.M.Warburg & CO founded in 1798.

For more details, visit us on the Internet: www.warburg-hih.com