

## KGAL powers ahead in real estate in 2017, achieving record highs in transactional and lease volumes

**Grünwald, Germany 12.03.2018 – The KGAL Group achieved a record year for real estate in 2017. Transaction volumes once again exceeded the billion-euro mark – decisively so, at over €1.5 billion – and new leases entered a new dimension, with over 106,800 m<sup>2</sup> closed.**

“In a challenging market environment and amid fierce competition, our real estate business performance was once again top class. Together with our investors, we continued to implement successful international real estate strategies,” commented André Zücker, Managing Director for Real Estate at KGAL.

2017 also saw the independent investment and asset manager keep pace with extremely dynamic commercial real estate markets in Europe, and more specifically, Germany. The **investment portfolio** in Germany increased through the acquisition of several office and retail properties, in Munich and the wider areas of Nuremberg and Stuttgart. Outside Germany, there were large-volume transactions in Budapest, Paris, Vienna, and Wiener Neustadt.

These transactions contributed to a total of over €730 million of acquisitions for the real estate business. At the same time, divestments and changes of ownership of a further €790 million were completed, resulting in an accumulated transaction volume of over €1.5 billion in 2017. Although the record figure achieved in 2016 (€2.1 billion due to one-off special items) was not reached, this figure – from transactions inside and outside Germany – is a positive sign for future growth. The KGAL real estate portfolio as at 31 December 2017 had a value of c. €6.9 billion.

In the year 2017, KGAL once again exceeded the previous year's record in closing new leases, letting c. 106,800 m<sup>2</sup> of space. This has passed the 100,000 m<sup>2</sup> mark for the first time and represents an increase of 8% on 2016 (98,900 m<sup>2</sup>). Around 83% of new leases, c.88,500 m<sup>2</sup>, is attributable to commercial floor space outside Germany, predominantly in Austria and Hungary. A total of around 18,300 m<sup>2</sup> came from a high number of smaller rental transactions in Germany. The total floor area for assets under management now comprises over 1.35 million m<sup>2</sup>. Due to ongoing successful asset management, the average tenancy rate in KGAL's real estate is now almost identical inside and outside Germany, at 98.5%.

The KGAL Group is a leading independent investment and asset manager with an investment volume of €22.7 billion. The investments focus on long-term capital investments for institutional investors in the real estate, infrastructure and aircraft asset classes. The Group, founded 50 years ago, operates across Europe and has its registered office in Grünwald near Munich. Taking into account aspects of revenue and risk, around 340 employees help achieve stable yields on a sustainable basis (As at 31/12/2017).



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