

BNP PARIBAS REIM GERMANY SELLS MEDIA TOWER IN DÜSSELDORF



BNP Paribas REIM Germany and Cording Real Estate recently sold the Media Tower property located at Düsseldorf Medienhafen to special fund CONREN Land. The 18-storey high-rise was originally purchased in 2016 for the Real Value Fund, which BNP Paribas REIM Germany co-manages together with the Cording Real Estate Group. The fund's manage-to-core approach proved particularly effective in tapping the potential of the property. After purchasing the high-rise, the fund repositioned it on the market and was able to reduce the office vacancy rate by over 50 per cent. The contracting parties have agreed not to disclose the purchase price.

“Based on the IRR method we generated a yield of roughly 18% with this investment over the course of a four-year holding period. This is an excellent example of the potential to be found in the current market environment by taking an active management approach with a competent fund management team”, explains Claus Thomas, CEO of BNP Paribas REIM Germany. “That is why in the current low-interest environment institutional investors are showing considerable interest in value-add assets with potential to be repositioned as core investments. In light of this we have also decided to increase our equity capital target for the fund to €250 million. We are currently negotiating the purchase of a new property to reinvest the capital made available by the recent sale. Further acquisitions are planned”.

The Real Value Fund is a German special real estate fund structured for institutional investors, which was launched by BNP Paribas REIM in 2015. The fund invests in commercial properties in Germany with value-add potential. Currently the fund holds four properties and manages the capital commitments of five institutional investors including two insurance companies, two pension funds and one savings bank. Fund performance in the previous fiscal year calculated according to the BVI method came to 13 per cent with an average 7.7 per cent per year since the fund was issued. These calculations do not yet include the sale of the Düsseldorf Media Tower for significantly above the most recently determined market value.

The Media Tower is a 64-meter high-rise encompassing about 9,000 sqm across 18 storeys. Roughly 400 sqm are dedicated to restaurant use on the ground floor with 7,600 sqm of office space on the upper floors. The building also houses about 800 sqm of archive space. The building's occupants have access to 115 parking spaces located at the neighbouring property. The asset features a flexible layout that can be adjusted to meet specific tenant requirements.

Dentons (legal), BNP Paribas Real Estate (broker) and Arkadis (technology) acted as advisors to the seller.



About BNP Paribas Real Estate Investment Management

BNP Paribas Real Estate is one of the largest and most effective real estate networks in Europe. BNP Paribas Real Estate Investment Management is its business line dedicated to investment management.

At the end of 2018, it managed € 28.7bn of assets in Europe. In 2018, a transaction volume of about € 4.5bn was secured (investments and divestments).

BNP Paribas Real Estate Investment Management provides a range of funds and tailored asset management services for international investors with mandates or vehicles managed in Europe with a local presence in eight countries (Belgium, France, Germany, Italy, Luxembourg, Spain, the Netherlands and United Kingdom) investing in offices, retail, logistics, hotels and residential sector. BNP Paribas Real Estate Investment Management has about 350 employees who provide solutions to over 100,000 clients throughout Europe and Asia.

BNP Paribas REIM is the business line dedicated to Investment Management within BNP Paribas Real Estate consisting of various legal entities: France: BNP Paribas Real Estate Investment Management France (SGP); Italy: BNP Paribas Real Estate Investment Management Italy (SGR); Germany: BNP Paribas Real Estate Investment Management Germany (GmbH); UK: BNP Paribas Real Estate Investment Management UK (Limited); Luxembourg: BNP Paribas Real Estate Investment Management Luxembourg S.A.

The respective legal entities responsible for offering clients products or services are named in the respective product documentation, contracts and information material.

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