

Corporate News



Fair Value REIT-AG continues its growth strategy and strengthens its portfolio with the acquisition of a majority stake in the closed end real estate fund BBV 08

- Consolidated real estate portfolio goes up by EUR 36m
- NAV rises by EUR 2.3m in total or EUR 0.16 per share
- Investment to initially generate annualized FFO-contribution of c. 12%

Munich, 1 July 2015 – Fair Value REIT-AG (“Fair Value”) successfully continues its growth strategy with the acquisition of a majority stake (about 52.8%) in the closed end fund BBV 08 as per 30 June 2015.

The underlying property portfolio generates a total rental income of about EUR 3.2m per year. This corresponds to an increase of rental income of about 14% compared to Fair Value’s total full year contractual rents as of 31 March 2015. The newly acquired properties are going to be consolidated at a fair market value of approx. EUR 36m, marking a growth of 13% compared to Fair Value’s total property portfolio as of 31 March 2015.

The portfolio comprises of two regional shopping centers in Querfurt and Zittau as well as a retirement home in Radevormwald. The occupancy rate of the properties currently stands at 99.5% of total lettable area (approx. 35.800 square meters). The weighted average term of the leases is 4 years as of today.

The purchase price for the majority stake of EUR 8.4m corresponds to a proportional NAV of EUR 10.7m. The NAV-Uplift on Group level of EUR 2.3m corresponds to EUR 0.16 per share in circulation. The intended FFO-contribution of the investment will be about EUR 1.0m on an annual basis or almost 12% of the acquisition price. The investment was done by using net proceeds of the rights issue successfully carried out in May 2015.

Frank Schaich, CEO of Fair Value REIT-AG, is happy with the deal: “This portfolio addition fits well and is going to create immediate value to our shareholders. The transaction shows that we are able to use market opportunities and to invest the net proceeds of our rights issue by adding value and by generating strong results.”

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Feldfunktion geändert

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Company profile

Fair Value REIT-AG, based in Munich, focuses on the acquisition, leasing, property management and sale of commercial properties in Germany. At the core of its investment activities are retail and office properties in German secondary locations as well as property participations with a unique focus on closed end funds.

As of 31 March 2015, Fair Value's share of the total portfolio of 41 properties amounted to around EUR 269 million. This portfolio had an occupancy rate of 91.0% of potential rent on full occupancy of EUR 24.5 million per year. As of 31 March 2015 the weighted remaining term of the leases was 4.8 years. Around 54% of the potential rent relates to retail floor space, 38% to office space and 8% to other types of use.