

Fair Value REIT-AG sells three retail properties in North Rhine-Westphalia for a profit

Munich, 27 September 2016 – Fair Value REIT-AG (ISIN DE000A0MW975) is systematically pursuing its portfolio streamlining policy and has sold three retail properties it no longer considered part of its core portfolio for a profit. The properties owned by the subsidiary BBV Immobilien-Fonds Nr. 6 GmbH & Co. KG (BBV 06) are located in Ahaus-Wüllen and Lippetal-Herzfeld, all of them in the state of North Rhine-Westphalia.

The two properties in Ahaus-Wüllen are the leasehold property at Andreasstrasse 1 that is let to home textiles chain Hammer for a further three years as well as the hypermarket at Andreasstrasse 3 – 7 that is let to Kaufland. The two properties were acquired by a company belonging to the Kaufland Group. At a total of EUR 5.5 million, the sale proceeds for the two properties before marketing costs exceeded the current carrying amounts by an aggregated 18%. Title, risks and rewards will be transferred once the usual prerequisites for payment have been met.

The property in Lippetal-Herzfeld is a mixed use building with a REWE supermarket as a long-term main tenant, which was acquired by private investors. Sales proceeds of EUR 1.8 million matched the current carrying amount. Title, risks and rewards will be transferred once the usual prerequisites for payment have been met.

Frank Schaich, CEO of Fair Value REIT-AG, commented on the transactions: “The two transactions are in line with our strategic objective of either selling or taking over direct ownership of properties previously held indirectly in order to further simplify our group structure and save costs. We are therefore delighted with the excellent result from selling the properties and expect that we will be able to fulfil the prerequisites for the liquidation of the subsidiary BBV 06 before the end of the current fiscal year.”

Contact

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Additional information on the properties sold:

| Location | Address | Rentable space | Sales price |
|-------------------|----------------------|----------------------|---------------|
| Ahaus-Wüllen | Andreasstrasse 1 | 1,496 m ² | EUR 1,100,000 |
| Ahaus-Wüllen | Andreasstrasse 3 - 7 | 3,915 m ² | EUR 4,400,000 |
| Lippetal-Herzfeld | Lippestrasse 2 | 1,452 m ² | EUR 1,805,000 |

Company profile

Fair Value REIT-AG, based in Munich, focuses on retail and office properties in German secondary locations as well as on real estate holdings with a special emphasis on closed end funds.

As of 30 June 2016, the overall portfolio represented 37 properties with a market value of around EUR 290 million. At that date, the portfolio recorded an occupancy rate of 88.5% of the rental income of the potential rents of EUR 25.1 million p.a. achievable in the case of full occupancy. On 30 June 2016, the rent agreements had a weighted residual term of 4.9 years. Around 58% of potential rents relate to retail space, 35% to office space and 7% to other space.