

Press release

ADLER Real Estate acquires portfolio with around 6,750 units

- Acquisition of housing association in Wilhelmshaven
- Value of the portfolio considerably above the EUR 200 million mark

Hamburg, Germany, 26 January 2015. ADLER Real Estate AG, Frankfurt am Main, Germany (ISIN DE0005008007) has successfully completed the acquisition of a portfolio located in Lower Saxony comprising c. 6,750 residential units in Wilhelmshaven, a transaction that was notarised in Q4 2014. Once these assets are included, ADLER's total property portfolio will increase to more than 32,000 residential units. The acquisition includes the majority interest in housing association Jade GmbH in Wilhelmshaven, on the North Sea coast of Lower Saxony, as well as its subsidiaries, which are responsible for property and facility management. The portfolio value is considerably above the EUR 200 million mark.

Specifically, Jade GmbH comprises 6,641 residential and 31 commercial units as well as 74 apartments destined to student accommodation. The properties have been very well maintained and are in a very good condition, with virtually no deferred maintenance or capex backlog and are mainly located in the better areas of Germany's largest naval site. About two-thirds of the properties were built between the 1930s and 1940s and its current net rental income stands at c. EUR 20.5 million. The portfolio's occupancy rate is c. 93 percent – a ratio that is on the rise. "We generate positive cash flow from our rental activities after deduction of all other costs," said Axel Harloff, CEO of ADLER Real Estate AG. "We expect continued professional management to result in a rise in the rental ratio and an increase in the value of the portfolio."

The portfolio benefits from the high quality of the units on offer as well as a further economic upturn in Wilhelmshaven resulting from the positive economic activity driven by the construction of the new deep sea water port.

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