



TRISTAN FUND EPI SO TO SELL GERMAN OFFICE AND RESIDENTIAL ASSETS FOR OVER €200 MILLION

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London – European Property Investors Special Opportunities (EPI SO), the 2008 vintage fund advised by pan-European real estate investment manager Tristan Capital Partners, is to generate proceeds totalling over €200 million from the sale of a Leipzig office complex and a portfolio of Berlin residential properties that it has repositioned to appeal to core institutional investors.

- EPI SO has sold Forum am Brühl in Leipzig’s historic city centre to the Berlin and East Germany specialist investor TLG Immobilien, in a transaction that prices the office complex at an initial yield of 6.7%.
- The fund has agreed the disposal of a portfolio of Berlin apartment blocks, comprising 1,807 residential units. The buyers are the Berlin based residential housing groups GESOBAU, Stadt und Land and WBM.

EPI SO acquired all of the assets with caleus capital investors, an operating partner that has successfully collaborated with Tristan funds on multiple transactions in Germany. All parties agreed to keep the specific financial terms of the two transactions confidential.

Rui Tereso, Partner and Head of Portfolio & Asset Management at Tristan Capital, said: “Both transactions highlight why Germany remains an active market for Tristan funds and where we continue to deploy significant capital and seek fresh opportunities. We identified the potential for these properties with our partner when there was limited liquidity for Berlin residential and for real estate assets in second-tier German cities, particularly in the east of the country. It’s an appropriate time to dispose of the investments since we have successfully completed our business plans for them and investment demand remains strong in these markets.”

Funds advised by Tristan currently own a total of approximately €700 million of real estate in Germany, which is spread across a range of assets. During the past 12 months, Tristan has acquired regional shopping centres in Bremen and Witten, an office building in Berlin’s Central Mitte district and mixed-use residential towers in Cologne as part of their capital deployment strategies.

Tristan’s Rui Tereso added: “We like the fundamentals of the German real estate market and have a total pipeline for our funds of more than €500 million of potential real estate investments.”

EPI SO acquired Forum am Brühl in late 2011. The c. 26,500 sqm property consists of five connected buildings located in front of Leipzig’s central station and close to the university. The ground floor of the property comprises retail units, while the upper floors provide office units of more than 2,000 sqm. The building also has parking for 222 vehicles. The business plan involved negotiating new leases with key tenants including Deutsche Bahn, Drees & Sommer, SBK Siemens Betriebskrankenkasse and Wüstenrot Bausparkasse. This has resulted in a weighted average

About Tristan Capital Partners

Tristan Capital Partners is an employee-owned investment management boutique specialising in public and private market real estate investment strategies across the UK and Continental Europe.

Tristan is the Portfolio Manager for Curzon Capital Partners III and for the private equity funds European Property Investors, LP, European Property Investors Special Opportunities, LP and European Property Investors Special Opportunities 3, LP. Its pan-European real estate funds include core-plus and value-added/opportunistic strategies with total assets under management of €5 Billion. Tristan’s headquarters are in London and it has offices in Luxembourg, Milan, Paris, Stockholm, Dusseldorf, Barcelona and Warsaw.



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lease term for the property of more than five years and an occupancy rate of 99%, compared with about 80% at the time of its acquisition.

The fund assembled the Berlin residential portfolio in 2010 and 2011 through three purchases of apartment blocks in housing estates located in the city's Neukölln, Reinickendorf and Mitte districts. The properties incorporate 100,000 sqm of residential space, 1,807 apartments and 82 car parking spaces. The EPISO business plan involved a €17 million refurbishment programme that has resulted in an increase in rents to market level and a current occupancy of 98%.

Jean-Philippe Blangy, Managing Director Portfolio & Asset Management at Tristan Capital, said: "Our strategy for these assets was to concentrate on improving their overall quality and stabilizing the cash flows so that they would appeal to core institutional investors. We achieved our business plans for the Leipzig office property and the Berlin residential portfolio ahead of schedule, so their disposal is in line with our disciplined hold/sell philosophy allowing us to exit these investments early in order to realise significant returns for our investors."

EPISO was advised by Taylor Wessing and BNP Paribas Real Estate on the sale of Forum am Brühl in Leipzig, while Noerr LLP and Pestlin & Co. are the fund's advisers on the agreed Berlin residential portfolio transaction.

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