

PRESS RELEASE

Karlsruhe: KINGSTONE Real Estate buys office property with long-term federal government tenant from GIEAG Immobilien AG

Munich, 30 August 2021 – KINGSTONE Real Estate has purchased an office property in the southwestern German city of Karlsruhe from a project vehicle of GIEAG Immobilien AG as an asset deal on behalf of its KINGSTONE Wachstumsregionen Süddeutschland (KWS) fund, which is an institutional fund for real estate investments in growth regions of southern German. The property at Philipp-Reis-Strasse 4 is under long-term lease to the Institute for Federal Real Estate, a German federal government agency which is a real estate service provider to other federal government entities, and is used by the Main Customs Office (Hauptzollamt) of Karlsruhe.

The single-tenant property with six above-ground floors was built in 1978 and extensively renovated in 2020. The structure, situated on a 3,700 sq.m. parcel, offers total rental space of some 9,400 sq.m. along with 43 outdoor and 20 garage parking spaces. The property's current lease has a remaining term of 14 years plus an extension option. Thanks to its location in the southern part of central Karlsruhe, the property enjoys excellent infrastructure connections. The immediate vicinity offers restaurants and green spaces, as well as convenient access to the nearby commuter rail (S-Bahn) station "Philipp-Reis-Strasse".

As an alternative investment fund for institutional clients, KINGSTONE Wachstumsregionen Süddeutschland invests primarily in core office and commercial properties in carefully selected growth regions throughout southern Germany. Since its original launch in the summer of 2019, the fund has invested almost all of its capital.

"With this transaction, we are aiming to further optimise the fund's risk profile," explains Dr. Tim Schomberg, Managing Partner and Chief Executive Officer of KINGSTONE Real Estate.

“The long-term lease with a prime government tenant generates reliable income for our investors. The very good structural quality of the building also underscores the long-term orientation of our investment decision.”

“With this transaction, we are securing a high-quality property for our investors in central Karlsruhe,” adds Philip Greilich, Head of Transactions Commercial Germany at KINGSTONE Investment Management. “In addition to the excellent road and public transportation links, the tenant also benefits from the direct proximity to the attractive green spaces of the adjacent Citypark. The renovation of the property and the surrounding development activities will also serve to continue the expansion of the modern cityscape around Citypark towards Karlsruhe’s city centre.”

“Following the successful sale to KINGSTONE in the summer of 2021 of the MAYOFFICE office complex in Stuttgart, this second transaction with KINGSTONE Real Estate within just a few months confirms the constructive and good cooperation and further confirms our mutual desire for a long-term partnership,” says Thomas Männel, Chief Executive Officer of GIEAG Immobilien AG.

KINGSTONE Real Estate was advised on the transaction by Pinsent Masons (legal and tax due diligence) and Drees & Sommer (technical due diligence). Waigel Rechtsanwälte Partnergesellschaft mbB served as legal advisor and Deloitte GmbH Wirtschaftsprüfungsgesellschaft as tax adviser to GIEAG Immobilien AG.

About KINGSTONE Real Estate

KINGSTONE Real Estate is an owner-managed real estate investment management group founded by the Schomberg family and Pegasus Capital Partners offering a wide range of investment products and a holistic approach for German and international institutional investors.

KINGSTONE combines a top-notch real estate deal and project pipeline with the excellent access of our senior management to national and international investors. Our strategic co-owner Pegasus offers capabilities and a proven track record as project developer and mezzanine specialist. Combining this with the Schomberg family’s decades of experience in the international and institutional real estate fund business enables us to generate sustainable returns for our clients.

More information available at: www.kingstone-group.de

About GIEAG Immobilien AG

GIEAG is a family-run, Munich-based public limited real estate company. Shares in GIEAG Immobilien AG are traded on the Munich Stock Exchange. Combining three asset classes — office, residential, and logistics – and two service areas – development and portfolio management – the company brings to market a range of uniquely stable investment opportunities. GIEAG’s team of experts stands as a guarantor for innovative and forward-looking real estate investment concepts.

Over the past 20 years, GIEAG Immobilien AG has developed and optimised a substantial number of properties with floor areas of up to 145,000 square metres in projects involving individual investment of between EUR 15 million and EUR 150 million. Partnership, transaction security, consistency and agility are the guiding principles by which GIEAG Immobilien AG achieves its long-term goals of increasing shareholder value.

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