

Hamburg, 8 August 2017

Union Investment acquires micro apartment complex in Graz for new special fund Urban Living Nr. 1

- **Completed in 2015, Milestone Graz comprises 378 fully furnished student apartments**
- **Long-term demand expected in Graz as a centre for science and research**

Union Investment is entering the growing micro-living segment. The Hamburg-based investment manager has acquired the Milestone Graz micro apartment complex for its new real estate special fund Urban Living Nr. 1. Consisting of 378 residential units, the property is let on a long-term lease to Milestone, one of the most experienced providers of private student accommodation in Austria. Union Investment was advised on the legal aspects of the transaction by Vavrovsky Heine Marth and on tax matters by TPA.

“Graz is one of the fastest growing conurbations in Austria and a university city with long-term demand for stylish, high-spec apartments with additional services,” said Alejandro Obermeyer, head of Investment Management DACH region at Union Investment Real Estate GmbH. The city has a student population of over 60,000, but there are currently only some 5,750 places available in student hostels. Graz is Austria’s second largest city, with 280,000 inhabitants, and also has the country’s second biggest concentration of science and research facilities after Vienna.

Completed in 2015, Milestone Graz stands out from the existing accommodation due to its high-spec fittings and furnishings, which have been carefully selected to make efficient use of space, plus a modern strategy that focuses solely on single apartments. The size of the apartments ranges from 20 to 28 sq m, split across three categories by location, size and specification: standard (338 rooms), garden (27) and deluxe apartments (13). As well as individual residential units, the eight-storey complex includes various communal areas, such as a music room, generous study areas and a fully equipped fitness room. The solar system on the roof, water-saving fixtures, LED lights and key switches all highlight the innovative and

resource-saving approach behind the project. Milestone Graz boasts an ÖGNI sustainability rating of Platinum.

“It’s not just the high level of construction quality and excellent location in the Lend district close to the city centre, plus the dynamic growth of Graz, that make this first investment for our new fund so compelling. A long-term lease and the complex’s fully let status, combined with continuing high demand, are also key advantages,” said Alejandro Obermeyer.

Urban Living Nr. 1 is an open-ended special AIF which is targeted at institutional investors with a long-term investment horizon. The acquisition focus is on micro apartment complexes which appeal to young professionals, students and one-person households. The fund will primarily invest in dynamic German cities and metropolitan areas, but acquisitions are additionally planned in European core markets.

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