

KGAL expands activities in Poland

Grünwald, 10.02.2022 – KGAL Investment Management GmbH & Co. KG has acquired the office property FUZJA OFFICE I in Łódź with around 22,000 square meters of rental space on behalf of a pan-European special AIF. The property is certified with the first-class sustainability rating "BREEAM excellent" and is scheduled for completion in the second quarter of 2022. The seller of Fuzja Office I is Echo Investment S.A., one of the largest listed Polish property developers.

Poland has become one of the fastest growing economies within the European Union over the past ten years. Łódź is the third largest city in Poland with 670,000 inhabitants and is one of the most important office centers in Poland due to its strategically favourable location 100 km west of Warsaw. The city's six public and 13 private universities with their 20,000 graduates each year ensure well-trained young people with the potential to contribute significantly to the intellectual potential of Łódź.

Commenting on the rationale for the investment decision, André Zücker, Managing Director and Head of Real Estate of KGAL Investment Management, explains, "All the necessary ingredients for a continued evolution of the city with regard to becoming a modern and prosperous business location on the outskirts of Warsaw are evident in Łódź. If this dynamic unfolds as we anticipate, rising rents and yield compression can be expected. We therefore envisage good prospects for a significant increase in value in the next few years."

The Fuzja Office I office complex is part of a large-scale redesign on a former industrial site not far from the city's key institutions. The district development includes a total of 23 buildings consisting of six office properties, retail space and over 700 apartments. In addition to the high construction quality, special attention was paid to quality of life and short distances. Fujitsu will be one of the long-term tenants.

The complex, which comprises three office buildings, offers a total of around 22,000 square meters of rental space and a total of 150 underground parking spaces and 139 parking spaces in a multi-storey car park. With the "BREEAM excellent" classification, Fuzja Office I meets the highest requirements in terms of sustainability.

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“This is KGAL's fourth transaction in Poland in the last two years and the first outside of the capital city of Warsaw. With this acquisition on behalf of a large pan-European mandate, we are further enhancing our European real estate expertise,” says Christian Schulte Eistrup, Head of International Business Development at KGAL Investment Management.

Savills (commercial advisory), BNP Paribas Real Estate (technical appraisal), DLA Piper (legal advice) and NOMOS (tax advice) acted in an advisory capacity on the transaction.

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KGAL is a leading independent investment and asset manager with a managed investment volume of more than €15 billion. The group sources, executes and manages long-term real asset investments for institutional and private investors in real estate, sustainable infrastructure and aviation. KGAL, which operates throughout Europe, was founded more than 50 years ago and is headquartered in Grünwald near Munich. Our 345 employees are dedicated to achieving sustainable, stable investment performance, taking into account return and risk criteria. (as of 31 December 2020)

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