

**PRESS RELEASE****Diok RealEstate AG Acquires another Office Building in Downtown Essen via Sale & Lease-back Transaction**

*Cologne, 27 September 2018* – DIOK RealEstate AG (DIOK) signed the sale and purchase agreement for a property in the town centre of Essen, Germany. Within the framework of a sale-and-lease-back transaction, a fully occupied office building was acquired that is let for seven years to the seller, an MDAX listed company, and that includes renewal options. The asset is located within walking distance of the local university and the pedestrian precinct.

In addition to the building of about 7,076.36 sqm, an adjacent residential plot of about 2,846 sqm was also acquired that is currently used as a parking lot of around 100 spots.

The office building is occupied to 100% and generates a net rent of approximately EUR 620,000.00 annually. The acquisition brings the annualised net rent of all assets in the DIOK portfolio combined up to c. EUR 3,935,000.00 p.a., the total market value up to EUR 63,250,000.00 and the total floor area to around 40,000 sqm. Although it was agreed not to disclose the purchase price, the net initial yield rate clearly exceeded the minimum rate of 6.5% that DIOK requires. For the time being, the sale and purchase agreement remains subject to mutual conditions precedent. But both parties assume that the transaction will move ahead before the end of October 2018 and that these conditions will have been met by then. The transaction was facilitated by the Hamburg-based law firm of Raschke, von Knobelsdorff, Heiser as legal advisers.

Said Daniel L. Grosch, Member of the Board of DIOK: "Once again, we were able to demonstrate our ability to move forward very swiftly with transactions. The asset perfectly complements our portfolio while adding another MDAX-listed group to our rent roll of high-net-worth tenants. We were reassured by the location and quality, but also by the performance of the regional real estate market. We intend to keep expanding our portfolio through further acquisitions in the same manner, so as to generate an attractive running yield."

**More details:** [www.diok-realestate.de](http://www.diok-realestate.de)

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### **About Diok RealEstate AG**

Diok RealEstate AG (DIOK) is a property company based in Cologne that specialises in German office real estate. The company's business focuses on setting up an attractive portfolio of office properties in good to excellent micro-environments of tier two cities. Labour-intensive activities have been outsourced in their entirety to third parties while remaining subject to DIOK's supervision and control. As an active portfolio and asset manager, DIOK thus achieves a steady capital growth and a positive cash flow from day one. In the medium term, DIOK intends to use its well-filled acquisition pipeline to build up a real estate portfolio worth 1 billion euros.