

Press Release

GSW purchases property portfolio with around 4,800 apartments in Berlin

- Attractive addition to the existing housing stock
- Acquisition targets from the IPO fulfilled early
- Financing achieved with 34% equity

Berlin, 8 November 2011 – GSW Immobilien AG has acquired a property portfolio comprising roughly 4,800 apartments from a subsidiary of GAGFAH S.A. The purchase price for the portfolio, which is predominantly based in good residential locations in Berlin, is approximately €330 million.

“The newly acquired portfolio makes an attractive addition to our existing housing stock. Its positive effect is that it increases the average rent in our overall portfolio and the additions expand our previous location focuses in Berlin in an optimal way,” comments Jörg Schwagenscheidt, Management Board member of the MDAX-listed property company and responsible for acquisitions. “We are delighted that our promise to invest the €115 million from the IPO by the end of next year has therefore been fulfilled early,” adds Schwagenscheidt.

The majority of the roughly 4,800 apartments are located in good to medium locations in Kreuzberg (35%), in Zehlendorf, Charlottenburg and Potsdam (approximately 39%), and in Spandau (26%). Roughly two-thirds of the buildings were constructed in the 1960s, with the others originating from the 1920s (18%) and 1950s (18%).

“The housing stock, most of which has been owned by GAGFAH only since 2007, has been well maintained,” continues Jörg Schwagenscheidt. The quality of the portfolio is also reflected in the figures: the average actual rent across all apartments is currently around €5.58 per square meter per month, with a vacancy rate of just 2.8%. “This means that the average rent is higher than the Berlin rent index average of €5.21 per square meter per month,” explains Schwagenscheidt. In the first half of the year (as of 30-Jun-2011), net cold rent of GSW’s housing portfolio averaged €4.94 per square meter.

These key data also have an impact on GSW’s overall result. “We expect the current new acquisition to make a long-term positive contribution to our results,” forecasts Schwagenscheidt.

GSW also negotiated the financing for the new housing portfolio with the relevant banks at satisfactory conditions. Equity accounts for a share of around 34%.

Contact

GSW Immobilien AG
Charlottenstrasse 4, 10969 Berlin, Germany

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Press

Thomas Rucker

e-mail: thomas.ruecker@gsw.de

Tel.: +49. (0) 30. 25 34-13 32

Fax: +49. (0) 30. 25 34-19 34

Investor Relations

Sebastian Jacob

e-mail: sebastian.jacob@gsw.de

Tel.: +49. (0) 30. 25 34-18 82

Fax: +49. (0) 30. 25 34-19 09

About GSW

Founded in 1924, GSW Immobilien AG is a leading private residential property company in Berlin with a portfolio of around 48,600 residential units and total residential space of 3.0 million m². A subsidiary of GSW also manages around 16,500 residential and commercial units for third parties. GSW's corporate strategy is geared towards the long-term management of rented apartments, using a systematic approach intended to enhance customer satisfaction and operational efficiency. As at 31 December 2010, the company's property portfolio was valued at around €2.6 billion.