

Income Generating German Investments



Real Returns

Would you like to offer your clients, a recession proof property investment that will generate immediate return on investment of 5-8% in Year 1?

- **Real Returns** is now presenting German discount retail properties to the Irish investment market for you to advertise to your own clients.
- The tenants provided by **RealReturns** include six retailers from the World's Top 20.
- Each of these retailers has multibillion turnover ensuring their strong covenant and market position in Germany.
- Discount retailers such as **Lidl**, **Aldi** and **Edeka** are well established in the German retail market, and currently account for 43.2% of grocery sales (Business Monitor International, 2009). BMI also forecast this will soon reach 50% of market share by 2013.
- These properties produce net yields of c.6.5-7.5% Unlike other property sectors that rely on a strong economy, these style of properties and tenants offer stability independent of market conditions.
- **Real Returns** is the first Irish brokers to have access, to market such properties to Irish investors. Commission is offered as a 50/50 split on fees.
Typically the average sale price of such a site is c.€3 million. This would ensue a fee for successful introducers at c. €45,000 (excl tax)



WHY INVEST IN GERMANY ?

- On August 13th, Germany officially came out of recession.
- German banks have adjusted their 2010 growth forecasts upwards predicting growth of 1.4%.
- The IFO institute expect the German economy to expand by 1.7% in 2010.
- Q3 2009: Investment volume in continental Europe of €4.5bn. Germany accounted for the largest share at 27% of transactions (Jones Lang la Salle).
- Urban population: 74% of total population.



WHY DISCOUNT RETAILERS?

- More than 80% of Germans believe the quality of discount products are as good as or better than similar branded items.
- Of the 400 new retail leases signed in July 2009, 72% were signed by discount retailers.
- Due to the polycentric and suburbanised nature of retail models in Germany, our strategically located sites, provide optimum footfall to the tenant's stores.

KEY PROPERTY DETAILS

- Site sizes are between of 0.2ha to 3ha, with between 500sq and 10,000sq m of let area built on carefully selected sites.
- The properties are newly constructed and backed by a 5 year bank secured construction guarantee.

LEASE & FINANCE INFORMATION

Lease length	10-15 years (signed by parent company)
Break clauses	None
Extension Options	Yes
LTV	Up to 75%
Finance	Non- recourse
Interest rates	German banks favour this asset class offering attractive long term fixed rates

For more details or to obtain marketing information, price lists etc, please contact Eimear in our Dublin office on + 353 1 647 1121 or by email on eimear@realreturns.eu



ABOUT REALRETURNS

- Despite economic conditions RealReturns transacted €13.6 million in 2009.
- We are also currently acting as Asset managers for **Greenman Investments** a specialist German Automotive Property fund which is acquiring a portfolio of up to €30 million properties across Germany.
- RealReturns was formed in late 2004 by founding Directors, John Wilkinson and William Conolly-Carew, each of whom have significant experience in the European emerging property markets.
- Since then, the business model has developed to partner with local private equity providers undertaking short, medium and long term development and asset management projects.
- At present, development projects total €50 million in value ongoing in Europe.