

## PRESS RELEASE

Hamburg, 12 July 2016

### **Peach Property Group and NOVUM Hotel Group conclude 20-year lease agreement: former Hoesch headquarters in Dortmund will be transformed into a 4- star hotel with 210 rooms**

- Hotel with 210 rooms planned in historic building
- Lease agreement concluded with NOVUM Hotel Group for a 4-star hotel as "NOVUM Select"
- Tenders for conversion work are underway
- Completion planned for the end of 2018

Peach Property Group, an investor specialising in portfolio management in Germany with a focus on residential property and selected development projects, has achieved further progress in transforming the former Hoesch headquarters in Dortmund. Planning permission to convert the historic building was obtained last year, and Peach has now concluded a 20-year lease agreement with Hamburg-based NOVUM Hotel Group, which is enjoying dynamic growth. The NOVUM Hotel Group will start operating the hotel with 210 rooms and space of around 15,500 m<sup>2</sup> (gross floor space) under the "NOVUM Select" brand in spring 2019. The NOVUM Hotel Group currently holds 84 hotels in Germany and other European countries. The hotel group already operates a "NOVUM Hotel Unique" and a "NOVUM Hotel Excelsior" in Dortmund, and is thus well acquainted with the local market.

The building is currently vacant, and will be converted into a 4-star hotel while maintaining its historic, protected substance. The responsible authorities already issued the requisite planning permission in 2015, and tenders for the conversion work are currently running. It is planned to start the construction work at the end of 2016 and to complete this by the end of 2018.

In addition to the hotel, the property has around 1,700 m<sup>2</sup> of additional space that is available for an alternative use. Peach Property Group is currently in advanced-stage negotiations with an interested party for this space. Peach Property Group is forecasting total annual rental income of around EUR 1.5 million for a fully let property. As it is possible to write down investments in this building at an accelerated rate thanks to Denkmal AfA (depreciation for the use of listed buildings), this property will earn attractive returns after taxes.

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The property enjoys a central location at Rheinische Straße 173 to the west of Dortmund's city centre, and was built between 1916 and 1921. The listed building has neoclassical architecture and a total rental area of around 17,200 m<sup>2</sup> (gross floor space) and is close to the "U" cultural centre in the up-and-coming Unionviertel in Dortmund. This district will be extensively redeveloped in the coming years.

Dr. Thomas Wolfensberger, Peach Property Group's CEO, commented: "We are very pleased that we have been able to acquire a top-class, financially strong tenant for this historic property in the form of the NOVUM Hotel Group. We have once again proven our ability to manage complex real estate projects. We are now entering into the next stage of realisation by concluding this lease and to further developing the property."

David Etmenan, managing partner with NOVUM Hotel Group added: "We are very pleased that we are expanding our portfolio of hotels by adding this very special project, and that we will be able to offer our guests an exclusive 4-star NOVUM Select Hotel in Dortmund after its completion."

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### **About Peach Property Group AG**

Peach Property Group is a property investor and developer focused on investments in Germany and Switzerland. The Group stands for long time experience, competence and quality. Innovative solutions for modern housing needs, strong partnerships and a wide value chain complete the profile of the Group. The portfolio consists of an increasing number of high yield investment properties, typically in B-cities in close reach to metropolitan areas. In addition, the Group develops properties for its own portfolio or for the sale as condominium. Developments for sale focus on A-locations and encompass attractive architecture and high level furnishing for an international clientele. The business activities of the Group

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cover the entire value chain, from property acquisition and site selection to active asset management and finally to the sale or lease of properties.

Peach Property Group AG is headquartered in Zurich and has its German Group headquarters in Cologne. Peach Property Group AG is listed on the SIX Swiss Exchange (PEAN, ISIN CH0118530366).

For more information, see [www.peachproperty.com](http://www.peachproperty.com)

### About NOVUM Hotel Group

The family-run NOVUM Hotel Group ranks among Germany's largest hotel groups with a current total of 84 hotels and 8,000 rooms in 26 locations in Europe. NOVUM Hotel Group was formed in 1988 and has enjoyed solid on-track growth since 1988. It is an extraordinarily dynamic group managed by David Etmenan.

Its portfolio includes 3 and 4-star hotels, always in central locations, and these are run under the NOVUM Hotels, NOVUM Select, NOVUM Style and NOVUM LikeApart brands.



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