

**PRESS RELEASE**

**M7-Starwood Capital Group joint venture acquires  
nine German light industrial properties for €57.6 million**

**London, 10th November 2014** – MStar Europe, the multi-let property joint venture between M7 Real Estate and a controlled affiliate of Starwood Capital Group, has invested €57.6 million to acquire nine German light industrial warehouses from various vendors.

**Alyssa Huse, Managing Partner of M7 Real Estate Germany GmbH**, said: “The lack of development during the financial crisis means there is great potential for these well-located assets through hands-on management by our highly experienced team. We are actively looking for more of these high-yielding investments in Germany.”

**Adam Shah, Senior Vice President at Starwood Capital Group**, added: “We view light industrial as a defensive asset class that benefits from both sector and credit risk diversification. We look forward to continuing to invest in properties with our capable partner that offer the potential to deliver strong cash flows and attractive risk-adjusted total returns for our investors.”

The purchases add 147,000 sq.m. of lettable space to MStar Europe’s portfolio of assets, which has expanded significantly in the past two months through acquisitions in the Netherlands and a successful buyout of the listed Tamar European Industrial Fund. M7 Real Estate advised on the purchases and will manage the assets. The investments in Germany are:

- The completion of the €44.7 million purchase of a five-property portfolio from funds managed by Valad that was announced in August. The properties have a total lettable area of around 100,000 sq.m., and are occupied by 55 tenants. The purchase price equates to less than €450 per sq.m. The properties are situated in the vicinities of Frankfurt, Cologne, Hamburg and Dusseldorf.
- A U.S. fund manager sold three portfolio warehouses located in Dortmund, Herne and Kassel to the joint venture. The €7.05 million purchase price equates to just over €210 per sq.m. The portfolio has been acquired with a number of vacant units, which provides the opportunity for significant rental income growth through asset management initiatives.
- The joint venture has also acquired a 14,200 sq.m. property in Dormagen from a fund advised by Archon Group for €5.8 million. The property is 75% occupied and currently has 10 tenants, the largest of which is Arlogis.

MStar Europe is M7 Real Estate and Starwood Capital Group’s second joint venture after MStar, the U.K.-focused vehicle the partners formed in June 2013. Established in April 2014, MStar Europe aims to invest up to €500 million in high-yielding, multi-let light industrial property in Continental Europe.

**Ends**

**Note to editors:**

**M7 Real Estate**

M7 Real Estate is a pan-European investor and asset manager specialised in multi-let real estate, with a team of 63 staff operating a platform in the UK, Denmark, The Netherlands, France, Germany and Poland. Established in 2009 and wholly owned by its senior managers, M7 already manages a portfolio of circa 300 assets comprising 1.9 million sq.m. with a capital value in excess of €1 billion. Its joint venture partners include Oaktree Capital Management, Starwood Capital, H.I.G Capital and M&G Investments. Additional information about M7 can be found at [www.m7re.co.uk](http://www.m7re.co.uk)

**Starwood Capital Group**

Starwood Capital Group is a private investment firm with a core focus on global real estate. Headquartered in Greenwich, CT, the Firm maintains 12 offices in six countries around the world. Starwood Capital Group has raised nearly \$28 billion of equity capital since its inception in 1991, and currently manages \$37 billion in assets. The Firm has invested in virtually every class of real estate on a global basis, opportunistically shifting geographies and changing positions in the capital stack as risk-reward dynamics evolve. For more than two decades, Starwood Capital Group and its affiliates have successfully executed an investment strategy that involves building enterprises around real estate portfolios in both the private and public markets. Additional information can be found at [starwoodcapital.com](http://starwoodcapital.com).

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