

MEDIA RELEASE

Ilmarinen sells landmark office building in Helsinki CBD to M&G Real Estate

Helsinki, 20 December 2018

Ilmarinen Mutual Pension Insurance Company has sold a prime office property Alvar Aallon katu 3 to M&G Real Estate. Alvar Aallon katu 3 is a 11,845 sq m office building in the Töölönlahti submarket next to Helsinki Central Railway Station in the city's central business district. Fully let to four tenants, the anchor tenants are two Helsinki stock listed companies: a media house Alma Media and a fiber material and solutions company Ahlstrom-Munksjö. Erected in 2012, the building is one of the very few modern office properties in the Helsinki city centre with a high-quality specification and 43 parking spaces in an underground car park.

The buyer is M&G European Property Fund managed by M&G Real Estate. The purchase price is approximately 116 million euros.

Kenneth Nyman, Portfolio Manager Commercial Property Investments, Ilmarinen, points out that "It has been a very exiting journey for the entire collegium to develop the so called Alma Media House from brownfield into a top modern sought-after fully occupied office complex. The location has further improved throughout the years when among others the Helsinki Music Centre and Helsinki Central Library, Oodi, have opened for the public next doors. The Töölönlahti city district area is today a superb mix of modern HQ offices and high quality cultural supply. Hence, it was time to find a new home for the well running office property and we are particularly pleased that M&G turned out to be selected one in the auction process."

Thorsten Slytå, Director of Nordic Region at M&G Real Estate, comments: "The Finnish economy continues to perform strongly, with rising consumer confidence, falling unemployment, and GDP growth comfortably above the Eurozone average. That is why Helsinki is one of the most active destinations in Europe for foreign investment, and why we are so pleased to have secured this excellent opportunity on behalf of our investors."

Simon Ellis, Fund Manager at M&G Real Estate, adds: "The Helsinki office market has become increasingly attractive to investors, with the Finnish GDP improving, good quality technological infrastructure and a lack of supply underpinning improving rents. Our acquisition of Alvar Aallon katu 3 is timely, taking advantage of a capital value that is favourable to similar buildings in the same submarket. With our asset management expertise, we are intent on maximising the profitability of the building for the long term."

Sami Kiehelä, Head of Capital Markets CBRE Finland, comments, "We are extremely happy about the sale of this prime office building in Helsinki CBD. Driven by strong occupier demand and very limited supply, Helsinki CBD office market enjoys robust rental growth and prime yield has further declined. This high-quality property attracted strong interest from a wide range of capital sources demonstrating strong demand for prime Helsinki assets."

CBRE acted as the seller's commercial advisor while Hannes Snellman Attorneys Ltd acted as the seller's legal advisor.

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About Ilmarinen Mutual Pension Insurance Company

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