

VASTNED RETAIL

Press release

VASTNED RETAIL ACQUIRES ITS SEVENTH PRIME HIGH STREET SHOP IN ISTANBUL FOR € 29.5 MILLION



Istiklal Caddesi 161 (right part of the building)

Pan-European retail property fund VastNed Retail has acquired its seventh prime high street shop in the heart of Istanbul and exceeding €90 million of portfolio size in Turkey.

Istiklal Caddesi 161 Beyoğlu, Istanbul

VastNed Retail acquired half of Yapi Kredi Bank's (YKB) premises for €29.5 million including purchase costs. The property's GLA is 4,750 sqm of which more than half is suitable for retail purposes. The façade of the retail part is 20 metres wide, which has great value for retailers. The YKB building is located on the southern part of Istiklal Caddesi opposite one of VastNed Retail's other high street shops (Turkcell) and near Galatasaray square.

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The property will be renovated shortly. The gross rental income is expected to be around €2.5 million per year, and taking into account €3.5 million in refurbishment costs (including capitalised interest), this would result in a 7.3% net initial yield. Over 80% of the income will be generated from the retail area. Given recent experience gained in other transactions in the same street, VastNed Retail expects to be able to attract the best international tenants for this quality location and floor space size.

The seller of the property was Yapi Kredi Bank.

Istanbul portfolio

This acquisition will increase the size of the Istanbul portfolio, which focuses on prime high street shops, to over €90 million. The majority of the high street shops are located in Istanbul's busiest street Istiklal Caddesi (five shops) and two shops on the Asian side of the Bosphorus. The tenants include Turkcell, Top Shop, &Style and Penti.

VastNed Retail recently acquired the back building jazz club so that in the renovation of the property on Istiklal Caddesi 85 the amount and quality of the floor space can be increased to 475 sqm per floor and the total GLA to 3,650 sqm. Both number 85 and the newly acquired number 161 are expected to be transferred to the operating property portfolio before the end of 2011.



From left to right : Istiklal Caddesi 161 (YKB), Istiklal Caddesi 98 (Turkcell), Istiklal Caddesi 119 (&Style), Istiklal Caddesi 85 (D&R) and Istiklal Caddesi 34 (Top Shop)

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Location of Istiklal Caddesi (5 shops) versus location of Bahariye Caddesi (2 shops)

Reinier van Gerrevink, CEO VastNed Retail: 'With this transaction we are well on our way to achieve our strategic goal of developing Turkey into a fifth core market. Our approach of limiting ourselves to prime high street shops in a small number of streets and buying vacant properties letting them back-to-back to strong retailers appears to be very successful. Major European and American retailers are queuing up to install their flagships in the heart of Istanbul, which creates good letting opportunities for our recently acquired properties.'

Rotterdam, November 8, 2010

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