



VMD KVART PRESENTATION

2015

*„ VMD KVART presents a
fantastic buying opportunity „*

VMD GRUPA





BUILDING INFORMATION

Location:	Ulica grada Vukovara 269d/VIII, 10000 Zagreb
Grade:	Premium
Size:	18 200m ²
Floors:	26
Towers Purchase size:	10 650m ² (15 floors)
Parking Bays:	280
Green Status:	A Grade





TOWER'S ACQUISITION

Size:	15 Floors, Block B, 10 650m ²
Total Price:	Euro 23 700 000
Rental:	Euro 2 013 300 p.a.
Yield:	8.5%
Acquisition Structure:	SPV Partnership
Debt Finance:	3 month Euribor + 375bps – 450bps (Euribor currently 0.014%)

Five year head lease at Euro 13.50 /m² and Euro 2.50 /m² of ops costs





SPV STRUCTURE AND PARTNERSHIP

Company registered:	Tower Europe d.o.o
Tower Shareholding:	80%
Cost:	Euro 18 960 100
Gearing Ratio:	50%
Partners:	VMD Grupa d.o.o
Partners Shareholding:	20%
Management:	Tower and VMD Services





VMD GRUPA

Founded:	1995
Development and Construction	Commercial and Residential
Employees:	79
Turnover:	Euro 58m p.a.
Profile:	Extremely highly regarded developers in Croatia

Only 5% of sales are through advertising





CROATIA

Population:	4.3m
Capital City:	Zagreb (Population 1m)
Main Economic driver:	Tourism and Exports
Currency:	Kuna (HRK)

- Included in the Eurozone in July 2013
- Expected to move to the Euro in 2020





FUNDAMENTAL OPPORTUNITIES AND RATIONALE

- Increase Tower's distributable income
- Tower can be a dominant player in the market – a “top feeder”
- Property prices are extremely attractive - presents upside rental growth
- Country has bottomed out after the recession
- Strongest possible partner in VMD – in country expertise
- Yield accretive acquisitions
- Strong capital growth and rental growth expected
- High quality diversification
- On the ground expertise





CONTACT US

Marc Edwards (CEO)

marce@towerproperties.co.za

Joanne Mabin (CFO)

joannem@towerproperties.co.za

Tel: +27(0)21 685 4020

www.towerpropertyfund.co.za

