

CPA:18 – Global Funds Development of \$85 Million Hotel in Munich, Germany

20-year net lease of upscale lifestyle hotel to commence upon completion



New York, NY- May 20, 2015 - W. P. Carey Inc., a global net lease REIT specializing in corporate [sale-leaseback](#), [build-to-suit construction financing](#) and the acquisition of single-tenant net lease properties, announced that CPA[®]:18 – Global has entered into an agreement to fund the completion of a new upscale lifestyle hotel in Munich, Germany. CPA[®]:18 – Global will provide approximately \$85 million (€76 million) to complete the construction of the hotel, which will be leased for a period of 20 years.

Key Facts

- **Upscale lifestyle hotel:** The hotel will be a full-service 290-room upscale hotel catering to both business and leisure travelers, as well as the local community. Amenities will include a spa and fitness center, conference facilities, underground parking, a bar and a modern restaurant concept developed by the Entourage Group—a food and beverage service provider for hospitality venues.
- **Up-and-coming Munich location:** The property is being constructed near Munich’s core city center in a district benefiting from significant commercial and residential development. Located close to the Arnulfpark commercial district, in close proximity to several major businesses, the hotel offers excellent transportation connections for both automobile and public transport, and benefits from underground parking.
- **Experienced hotel operator to manage the property:** The hotel development is being undertaken by Mr. Liran Wizman, co-founder and major shareholder of Grand City Hotels, the second largest hotel management company in Germany. Upon completion, the hotel will be managed by Mr. Wizman’s company, Europe Hotels | Private Collection, which has considerable experience managing boutique lifestyle hotels in Europe including the SIR and Max Brown brands.

- **Attractive deal structure:** The development will be initially funded with \$45 million at closing, with the remaining development budget disbursed through the successful completion and opening of the hotel, which Mr. Wizman has guaranteed to be on-budget and on-time in early 2016. The lease commences on opening and includes annual rent escalations.
- **Strong Munich hospitality fundamentals:** Hotel demand in Munich has increased at a 6% compound annual growth rate since 2003. Considered Germany's wealthiest city, Munich is among its most popular tourist destinations and has an average hotel occupancy rate of 77%, compared to 68% for Germany overall.

Management Commentary

Arvi Luoma, Executive Director of W. P. Carey, commented: "This transaction offered the opportunity for CPA[®]:18 – Global to secure a high-quality hotel property in Germany's wealthiest city at attractive pricing and demonstrates our ability to provide long-term development financing for the hospitality sector. The deal structure is particularly noteworthy as it highlights our ability to complete complex transactions. We are delighted to add to the global diversity of CPA[®]:18 – Global's portfolio with this project—our first hotel investment in Europe."

Mr. Liran Wizman noted: "W. P. Carey's global investing perspective and experience was invaluable in enabling us to agree this deal. Their ability to deliver on the required structure, along with their long-term investment philosophy, made them the ideal partner for us. We look forward to opening this exciting European flagship hotel."

W. P. Carey Inc.

Please visit www.wpcarey.mediaroom.com for more information about W. P. Carey, to access our image and video libraries and to follow us on social media.

This press release contains forward-looking statements within the meaning of the Federal securities laws. The statements of Mr. Luoma are examples of forward looking statements. A number of factors could cause CPA[®]:18 – Global's actual results, performance or achievement to differ materially from those anticipated. Among those risks, trends and uncertainties are the general economic climate; the supply of and demand for commercial properties; interest rate levels; the availability of financing; and other risks associated with the acquisition and ownership of properties, including risks that the tenants will not pay rent, or that costs may be greater than anticipated. For further information on factors that could impact CPA[®]:18 – Global, reference is made to its filings with the Securities and Exchange Commission. Statements about past performance, which are presented for informational purposes only, are not a guarantee of future results.

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