

CPA:18 – Global Acquires Wyndham Stuttgart Airport Messe Hotel for \$33.8 Million

Sale-leaseback of high-quality property adds to German hospitality assets in portfolio



NEW YORK – January 13, 2016 – W. P. Carey Inc., a global net lease REIT specializing in corporate [sale-leaseback](#) and [build-to-suit](#) financing and the acquisition of single-tenant net lease properties, announced that CPA[®]:18 – Global, one of its managed non-traded REITs, has completed a sale-leaseback transaction to purchase a majority stake in the Wyndham Stuttgart Airport Messe hotel for approximately \$33.8 million. The hotel operating company has entered into a 20-year net lease for the property.

Key Facts

- **High-quality, recently renovated hotel property:** The hotel, which was originally built in 1987, underwent an extensive renovation that began in 2012 and included all the rooms and common areas, such as the lobby, restaurant and bar. The façade was also updated in 2015, and a modern conference facility is expected to be added this year.
- **Prime location near busy airport and developing office district:** The property is built on one of only two land parcels allotted for hotel operations at Stuttgart Airport. Its location is adjacent to the passenger terminal at the airport, the sixth busiest in Germany with 10 million passengers per year. Additionally, the Stuttgart Messe, Germany’s ninth largest trade center, relocated next to the hotel in 2007 and continues to positively impact hotel occupancy. Ernst & Young’s new German headquarters is also adjacent to the hotel and is expected to open this year.
- **Strong market fundamentals:** The city of Stuttgart is one of the most important economic and business centers in Germany, attracting major firms, such as Bosch, Mercedes, Porsche, Lenovo and Siemens. In 2014, Stuttgart posted new records for both the number of guests and

the number of overnight hotel stays, which created an attractive supply and demand imbalance for hotel operators.

- **Market-leading hotel operator to manage the property:** Grand City Hotels, one of the largest German hotel operators, will continue to manage the hotel. It currently holds an AAA rating from German hotel specialist TREUGAST and manages more than 120 hotels and 15,500 rooms with more than three million guests each year.
- **Long-term lease term with guarantee:** The 20-year net lease with the hotel operating company is fully guaranteed by its parent company and includes fixed annual rent escalations.

Management Commentary

Arvi Luoma, Executive Director at W. P. Carey, commented: "This transaction offered the opportunity for CPA[®]:18 – Global to invest in a uniquely positioned hospitality asset in one of Europe's leading industrial and business cities. It also increased the number of German hotel assets in the portfolio, further demonstrating our strength in Central Europe and our ability to deliver tailored real estate financing solutions in this sector. This also marks our second transaction with companies led by Liran Wizman co-founder of Grand City Hotels and of Europe Hotels Private Collection. We view this as a testament to both the value of our long-term business relationships, as well as our reputation for efficiently structuring and successfully closing transactions."

Liran Wizman, co-founder of Grand City Hotels and of Europe Hotels Private Collection, noted: "W. P. Carey's global investing perspective and experience made them the ideal partner for us in this deal. Their long-term investment philosophy and track record of closing similar transactions in the hotel sector was invaluable in enabling us to finalize the deal, which is our second together in Germany."

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W. P. Carey Inc.

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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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