

# WARBURG-HIH INVEST REAL ESTATE

## *Press Release*

### **Warburg-HIH Invest Launches Two New Retail Property Funds**

- Investment funds Warburg-HIH Perspektive Einzelhandel Deutschland Invest and Warburg-HIH Perspektive Einzelhandel Deutschland Invest II to invest in retail real estate in fast-growing locations in Germany
- While both represent open-ended real estate special AIFs, one will focus on commercial buildings, the other on retail warehouse parks
- Investment volume target between 400 and 450 million euros each

**Hamburg, 04 May 2016** – Warburg-HIH Invest Real Estate GmbH (Warburg-HIH Invest), Hamburg, just announced the launch of two new retail real estate funds for institutional investors. Under the title “Warburg-HIH Perspektive Einzelhandel Deutschland”, the open-ended real estate special AIFs will invest in retail properties in fast-growing locations in Germany. In addition to the so-called “Big Seven” cities, eligible destinations include other major cities with favourable economic data, auspicious demographic outlook, and a strong position as retail location (purchasing power, centrality, etc.).

The investment fund “Warburg-HIH Perspektive Einzelhandel Deutschland / Fokus Geschäftshäuser” will focus on high-street commercial properties, whereas the “Warburg-HIH Perspektive Einzelhandel Deutschland / Fokus Fachmarktzentren” fund will put its emphasis on retail warehouses and local convenience centres.

The two funds are targeting investment volumes of 400 to 450 million euros each. The planned equity volume for either fund equals c. 250 million euros, while the targeted gearing ratio is 45 percent based on the fair market value of the real assets under the fund’s management. Both investment funds will have a lifetime of 15

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**Dr. Ludwig Vogel, Managing Director Warburg-HIH Invest Retail Properties GmbH**

*“Retail properties should be an integral component of any diversified portfolio. Germany remains an attractive market because of its sheer size and its robust economic situation. International brands remain keenly interested in maintaining a footprint in the EU’s largest retail market.”*

**Alexander Eggert, Managing Director Warburg-HIH Invest**

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years; the return target for the fund focusing on commercial buildings is an annual distribution of four percent, whereas the distribution yield of the retail warehouse park fund is expected to be five percent p.a.

The investment strategy is based on the findings of comprehensive research done on Germany's retail market. The retail expert team of Warburg-HIH Invest, headed by Dr. Ludwig Vogel, developed a scoring model in this context that will help to preselect eligible investment locations.

“We rely on the experience of the HIH Group with retail real estate when structuring and managing these investment funds,” Dr. Vogel elaborated. The sectors retail and gastronomy account for nearly 30 percent (c. 1.5 billion euros) of the real estate portfolio under the management of Warburg-HIH Invest.

“Retail properties should be an integral component of any diversified portfolio,” Alexander Eggert, Managing Director of Warburg-HIH Invest and in charge of the product, company and fund management division, added. “Germany remains an attractive market because of its sheer size and its robust economic situation. International brands remain keenly interested in maintaining a footprint in the EU's largest retail market.”

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### About Warburg-HIH Invest

Warburg-HIH Invest Real Estate (Warburg-HIH Invest) is a real estate investment manager serving institutional investors and covering the entire spectrum of national and international real estate investments. Warburg-HIH Invest is one of Germany's leading managers of special AIF for real estate, with real estate assets of EUR 5.7 billion under management. Warburg-HIH Invest can demonstrate a comprehensive track record in designing and implementing bespoke investment solutions. Warburg-HIH Invest, as a quality provider, supplies products and services with added value. This pursuit matches the quality standards set by both of its shareholders, HIH Real Estate and the private bank M.M.Warburg & CO founded in 1798.

For more details, visit us on the Internet: [www.warburg-hih.com](http://www.warburg-hih.com)