

Contact details

HIH Real Estate GmbH
Markus Meinecke
mmeinecke@hih.de
+49 (0)40 3282 3242

PB3C GmbH
Jaroslaw Plewinski
plewinski@pb3c.com
+49 (0)30 726276 163

Press Release

Warburg-HIH Invest starts its retail fund with local supply portfolio

- Purchase of three property developments for the open-ended real estate special “Warburg-HIH Perspektive Einzelhandel: Fokus Nahversorgung” AIF
- Equity capital of EUR 100 million already raised for the fund
- Local supply centres with a gross lettable area of around 24,200 sqm in Hamburg, Usingen and Halver
- Almost fully let retail portfolio; anchor tenants with long lease terms

Hamburg, 23. May 2017 – The fund, launched in May 2017 by Warburg-HIH Invest Real Estate (Warburg-HIH Invest) by the name of “Warburg-HIH Perspektive Einzelhandel: Fokus Nahversorgung“ with a projected investment volume of up to EUR 450 million, has raised capital commitments of around EUR 100 million within a short space of time. The retail fund envisages a payout distribution of 4.5 percent (BVI).

The retail portfolio consists of three local supply centres in Usingen, Halver and Hamburg. The properties have a gross lettable area of around 24,200 sqm and some 550 parking spaces. Hamburg-based Procom is the developer and seller of the three retail properties. The completion and handover of the new build projects will generally take place in 2017. Almost all retail premises of the local supply portfolio are already fully let. Long-term lease agreements with fixed terms of 10 to 20 years (average of 15 years) were signed with all anchor tenants.

“The purchase of this new build retail portfolio with high yield stability has enabled us to take advantage of a rare opportunity of acquiring an almost fully let portfolio consisting of three property developments whose anchor tenants without exception rank among Germany’s first rate retail brands with high footfall,” says Hans-Joachim Lehmann, Managing Director at Warburg-HIH Invest and responsible for the transaction management business in Germany.

The anchor tenants in the portfolio also include chain stores such as Edeka, dm-drogerie markt, Kaufland, Aldi and Rewe.



“The properties are situated in central local supply locations which are easily accessible and figure prominently in the respective catchment area. As their anchor tenants, all three properties have retail grocery stores which are essential for the local supply centres and which generate the necessary footfall for other retailers in the properties. Along with self-service stores, drug stores, apparel, shoes, gastronomy and services, the current tenant structure ensures an optimal tenant mix for a contemporary local supply centre tailored to the respective catchment areas and micro-locations,” Lehmann explains.

The investment strategy of the fund with its 15-year horizon is based on the outcome of extensive research on Germany's retail market and on the company's own scoring model for the purpose of preselecting the locations which are eligible for investment. Along with the Top 7, the investment locations include other major cities with positive economic data, favourable demographic prospects, as well as a strong position as a trading location.

“The special ‘Warburg-HIH Perspektive Einzelhandel: Fokus Nahversorgung’ AIF is consistent with our investors’ requirements for sustainable investments in the retail segment. Further acquisitions for this fund are currently under way, with various properties undergoing due diligence,” explains Alexander Eggert, Managing Director at Warburg-HIH Invest responsible for product, business and fund management. “We are therefore successfully moving ahead with our purchase strategy in the area of retail.”

In recent months, Warburg-HIH Invest has realised 11 purchase transactions in the retail segment in an overall volume of some EUR 340 million. The real estate acquired includes properties in very good locations in Berlin, Hamburg, Dresden, Freiburg and Garmisch-Partenkirchen.

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**Hans-Joachim Lehmann, Managing Director Transaction Management Germany
Warburg-HIH Invest Real Estate**

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**Alexander Eggert, Managing Director Product, Business and Fund Management
Warburg-HIH Invest Real Estate**

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 c. EUR 6 billion under management. Warburg-HIH Invest can demonstrate a comprehensive track record in concept 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.

More information can be found on the the company's website at: www.warburg-hih.com/en