

HIH Invest Acquires another Asset for its Local Retail Fund

- Modernised market in Bavarian town of Küps
- More than 4,200 square metres of retail area
- Fully occupied, the long-term anchor tenant being REWE
- Number of assets in portfolio of “Perspektive Einzelhandel: Fokus Nahversorgung” fund now up to 21

Hamburg, 13 April 2022 – HIH Invest Real Estate (“HIH Invest”) acquired a retail park in Küps in northern Bavaria via an asset deal with a private investor. It is the twenty-first property in the portfolio of the “Perspektive Einzelhandel: Fokus Nahversorgung” institutional fund for local retail real estate, and has a total lettable area of 4,224 square metres. The supermarket at Lessingstrasse 13-15 has been located in the same site for over 20 years, and acts as an important neighbourhood retail centre. Its anchor tenant is REWE, the only full-line grocer in town. The property was thoroughly modernised in 2021. In conjunction with the upgrade, REWE renewed its lease to secure the site for another 15 years. Among the other tenants are the KiK discount fashion retailer, which has also been on the premises for 20 years, and another two retailers: a kitchen studio and an interior decorating store. The units of the latter, are let on open-ended leases, and these have been here for a long time as well. The property is fully occupied.

Jens Nagelsmeier, Head of Transaction Management Retail & Healthcare, said: “The cash flow is secured by the fast-selling blue-chip anchor tenant REWE with its long-term lease of 15 years plus renewal option. Grocery retailing, being an essential business, generates 90 percent of the neighbourhood retail centre’s annual rent revenues. Both the rent analysis and sales analysis return sustainable and market-consistent values when compared to relevant benchmarks, and thus suggest a positive, profitable performance of this property. Convenience centres and supermarkets benefit from their resilience. Sales revenues in German food retailing increased by 18 percent between 2016 and 2020, according to the GfK consumer research society. Especially full-line grocers benefit from the ongoing trend toward one-stop shopping.”

The acquisition of the convenience centre in Küps brings the total amount invested in the “Perspektive Einzelhandel: Fokus Nahversorgung” fund up to more than 400 million euros. The property contributes in a strategy-compliant way to the further portfolio build-up of the fund, which is still in its investment phase. Its allocation profile specifies retail parks and convenience centres



with a retail share of more than 80 percent in conveniently accessed district or suburban locations. The retail type of use currently accounts for more than 90 percent of the occupancy among the portfolio assets. Eligible locations for the “core” and “core plus” risk profiles are economically stable German cities. The target figure for each investment asset ranges from 10 to 40 million euros.

The convenience centre occupies a central location in Küps, and offers nearly 200 free parking spots along with easy-to-use entrance and exit arrangements. It is also highly visible because it straddles the main thoroughfare, the B173 federal route connecting the town to the middle-order centres of Kronach and Lichtenfels. Located in the immediate vicinity are a drinks cash & carry/liquor store, a Tedi textiles store, and gastronomic amenities. The population of the catchment area within walking distance is growing as a result of ongoing construction projects. The town of Küps lies between the neighbouring middle- and high-order centres of Kronach, Lichtenfels and Kulmbach. The socio-economic conditions here are stable, suggesting robust parameters for a retail venue, especially with respect to food retailing.

The legal and tax due diligences were undertaken by Baker Tilly Rechtsanwaltsgesellschaft mbH, a law firm based in Frankfurt am Main. Responsible for the technical due diligence and the ESG due diligence was C.P.H. Projekt- und Baumanagement GmbH based in Hamburg.

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**Jens Nagelsmeier, Head of Transaction Management Retail & Healthcare
HIH Invest Real Estate**



About HIH Invest Real Estate

HIH Invest Real Estate (“HIH Invest”) is one of the leading investment managers for real estate in Germany and elsewhere in Europe. We find, develop and control real estate and investments under a forward-looking approach in the best interest of our clients. Decades of experience, close proximity to real estate markets and tight networking enable us to identify real estate opportunities and to act on them quickly during the right market cycle.

Around 260 institutional clients entrust their investments to HIH Invest. They benefit from the structuring, product development, property management and market development specialists we make available for the purpose of developing just the right investment solutions for them.

HIH Invest maintains a presence in ten different locations across Europe. As part of the HIH-Group, we cover the entire real estate investment value chain with in-house capacities. The early recognition of market changes, the implementation of regulatory requirements and forward-looking digital management are part of our corporate philosophy.

At the moment, we have 16.4 billion euros worth of assets under administration in 90 investment funds.

For details, visit the company homepage at: www.hih-invest.de

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