

Monthly Newsletter

Real Estate

Key Transactions

- NorthWest Healthcare Properties acquired a \$454 million hospital portfolio in London.
- Intu's Trafford Centre is for sale, for a reported £1.3 billion.
- APG is set to acquire Hammerson's remaining 50% stake in VIA Outlets, for €301 million.
- Hines and Henderson Park bought a 71,000 sq. m. residential development site in Athens.
- AFI acquired a portfolio of four office buildings in Romania for €307 million, the largest ever transaction in the country.
- Blackstone acquired a 202,000 sq. m. last-mile logistics portfolio, with assets across France and Germany, from Castlelake.
- Allianz Real Estate acquired a 21.5% stake in the DOOR fund.
- Tristan Capital Partners acquired INHAG and its 77,416 sq. m. portfolio, for €284 million.
- KGAL IM acquired a €250 million mixed-use development in Munich, in a club deal with three institutional investors.
- Tristan Capital Partners and Catella acquired a 50-site French logistics portfolio for €180 million.
- Deka Immobilien acquired a 9,400 sq. m. office asset in Paris from LaSalle IM for €165 million.
- ABG and HanseMerkur acquired an iconic Frankfurt office tower. The expected total project investment is over €300 million.
- KPA bought SEK1.5 billion of housing projects from Skanska in southern Sweden.
- Barings acquired two logistics assets in Germany, taking its total logistics transactions volume in 2020 to €260 million.
- SEB plans to sell the Chanel store on London's New Bond Street, with an asking price of over £240 million.
- Warburg-HIH acquired a new-build office scheme for a price believed to be around €150 million in Hamburg.
- Befimmo divested a 99-year leasehold on an office tower in Brussels for €112 million.
- Stoneweg acquired a city centre site in Dublin for a €100+ million co-living scheme.
- BNP Paribas REIM acquired a 10,600 sq. m. office in Milan for €100 million.
- Fim Group acquired a portfolio of 27 retail properties in Germany from M7 Real Estate for €86.4 million.
- Patrizia acquired a €72 million office development from Cain in Barcelona.
- Barings acquired an office in Sweden for €72 million from local firm BLDG.
- Wells Fargo provided £60 million of debt financing to Supermarket Income REIT via a secured, five-year revolving credit facility.
- Catella acquired four affordable housing assets in Brussels, Geneva and Berlin for €60 million.
- Trei Real Estate agreed a long term €51 million loan with pbb Deutsche Pfandbriefbank, secured against 40 Polish supermarket assets.
- BNP Paribas acquired a 22,700 sq. m. office building in Paris.
- A JV between GSA and Harrison Street acquired two PBSA assets in Bristol.
- Metropol Group acquired five retail assets in Poland from Atrium for an undisclosed sum.

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People Moves

- Mark Carney, the former governor of the Bank of England joined Brookfield as Vice-Chair and Head of Environment, Social and Governance and Impact Fund Investing.
- Hines appointed James Morrow as Managing Director and Head of Capital Raising Europe (ex-DACH), and Victoria Patterson as Director of Marketing and Experience for Hines' living operations in Europe.
- Juan Gomez Vega joined Deutsche Finance International as Investment Director, Southern Europe and head of the firm's new Madrid office.
- Simon Silver, Executive Director and Co-Founder of Derwent London announced his retirement as of February 2021.
- Former Corestate Chief Executive Officer Michael Bütter is set to join Union Investment as Chairman of the Management Board and Head of Real Estate. Jörn Stobbe will remain with the firm as Head of Asset Management.
- Catella appointed Christoffer Abramson as Chief Financial Officer.
- Niam appointed Mathias Pedersen as the CFO/COO Fund Financial and Regulatory Management.
- Christiane Eckert left her role as Global Real Estate Portfolio Manager at ATP.
- Laurence Gacoin, Chief Operating Officer, announced her departure from Aedifica as of October 2020.
- Pedro Caupers retired from his role as Chief Investment Officer at Sonae Sierra.
- Former Dutch finance minister Menno Snel joined the ABP board.
- David McArthur was appointed Head of Investment at The Howard de Walden Estate.
- CapMan Real Estate appointed Anna Reuterskiöld as Partner and Head of Sweden.
- The Crown Estate hired Linda Morant as Chief Digital Officer.
- Levi Levenfiche joined Pi Labs as Head of Capital Raising.
- KKR hired Patricia Bandeira Vieira as Head of EMEA Real Estate Capital Raising.
- Alex Hasek joined Harrison Street as Vice President and Associate General Counsel, based in London.
- Rob Codling and Ali Farrell were promoted to manage LGIM Real Assets' managed property and segregated mandate funds.
- Curlew Capital appointed Andrew Davies as Senior Development Manager to support delivery of its £340 million UK PBSA programme.
- Picton Property Income appointed Richard Jones as Non-Executive Director.
- Navitas Capital appointed Michael Spies as a Venture Partner.
- Castleforge Partners hired Matt Lederer as Hotels Acquisitions Director.
- Arcona Capital appointed Dana Benesova as Portfolio Manager for the company's Prague office.
- PMM Group appointed Aziz Gani as Director of Acquisitions for its affordable housing strategies.
- Dominvs Group hired Adam Ratzker as Commercial Director.

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In Memory

With great sadness we say goodbye to industry greats and friends:

- Gerald D Hines, Founder and Chairman of real estate firm Hines.
- Trish Barrigan, Co-Founder and Managing Partner of Benson Elliot.
- Ronald Rawald, Head of International Real Estate and Senior Managing Director at Cerberus Capital Management.

Industry Trends & Events

- The continued low interest rate environment bodes well for private market assets, particularly real estate and infrastructure.
- As European countries increase their debt-to-GDP ratios to combat the economic effects of COVID, higher real estate risk premia may lead to tactical buying opportunities for investors willing to take a longer-term view.
- Total real estate investment volumes in EMEA fell by 36% in H1 2020 compared with 2019.
- Aggregate European commercial real estate investment is expected to fall by 30-40% year-on-year in 2020. Despite this, investment activity is forecast to return to pre-COVID levels by 2022.
- Germany was the most resilient country in Europe in H1 2020, recording a rise of 31% in investment transactions compared to H1 2019.
- The resilience of the German residential market is making it increasingly attractive to pension funds and SWFs, driving up prices.
- Paris attracted more capital than any other European market in H1 2020, with total investment volume of \$8.28 billion, ahead of London with \$5.75 billion.
- European office vacancy rates increased by an average of 30 bps to 5.8% during Q2 but remain low, due to undersupply.
- Office prime rents across Europe are forecast to decline by 9.8% year-on-year, with take-up volumes falling by 20% from Q1 to Q2 and a 20bp increase in vacancy rates.
- The Polish office market performed well in H1 2020, attracting c. €1.33 billion of investor capital.
- European PBSA is becoming increasingly attractive to investors due to the market's non-cyclical nature and a significant undersupply in major university cities across the continent.
- Investment in Europe's senior housing sector reached €515 million in H1 2020, a 25% increase year-on-year.
- The FCA's proposed redemption notice periods for UK open-ended property funds could undermine the appeal for retail investors.
- Asian investors are increasingly looking to central London for real estate investment opportunities, spending £628 million in the city in H1 2020. They were responsible for 31.4% of all real estate transactions in the UK capital in Q2 2020, up from 9.8% in the same period last year.
- COVID-19 is accelerating the shift towards shorter leases in the UK's commercial real estate market.
- The number of institutional investors in the UK, Germany and France pursuing a lower risk strategy has risen to 58%, compared with just 35% prior to the COVID-19 pandemic.
- Credit tenant leases may prove to be an attractive option for businesses seeking liquidity amid the current market uncertainty.

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- European pension funds are increasingly taking climate-change risk into account when it comes to investment allocations, with awareness of ESG-related risks also on the rise.
- CPPIB updated its ESG policy on sustainable investing, placing greater scrutiny on private market managers by asking firms to disclose all aspects of their operations.
- An increase in cybersecurity attacks and the rise of homeworking is driving investment into cybersecurity, which in turn is likely to create greater demand in data centres.
- CapCo announced a 16.3% drop in the value of its property portfolio, to £2.3 billion, in H1 2020.
- Hammerson is set to change its UK leasing approach, with more flexible leases, rebased rents and an index-linked system for rent reviews.
- Castellum is set to take part in the EU-financed Carbon Risk Real Estate Monitor project.
- Mileway signed a new four-year lease with DHL, renewing its existing lease for two units and adding a further asset in Lyon, taking the company's total occupancy to 32,000 sq. m.
- NorthWest Healthcare Properties and GIC are to set up a €2 billion JV focused on pan-European healthcare.
- Starwood European Real Estate Finance announced a share buyback programme, and appointed Jefferies as administrator.
- BC Partners raised €664 million for its first European real estate fund.
- LCN Capital Partners raised €500 million for its latest European fund.
- PGIM Real Estate raised £350 million for a new European debt fund.
- ECE Real Estate Partners launched a new preferred equity fund, with over €100 million in capital secured to date. The fund is backed by the acquisition of three German shopping centres worth over €500 million.
- AXA IMRA formed an affordable housing strategic partnership with Paris-based housing company in'li, taking a 75% stake. With a portfolio comprising 9,800 housing units in Paris, they have plans to develop a further 1,500 units p.a.
- Harrison Street formed a JV with Cortland Partners to target the European BTR sector, starting with the development of a 367-unit property in Watford, UK.
- British Land partnered with global PropTech firm Equiem on a digital tenant engagement app.
- CA Ventures launched Novel Student, a new property management platform to operate the company's European student housing portfolio.
- Pictet and Marchmont IM launched a UK last-mile logistics partnership.
- PIC invested £130 million to fund their first build to rent project in the UK.
- HIH Group signed a deal to collaborate with PropTech start-up Proda as part of its digitisation strategy.

Infrastructure

Key Transactions

- Atlantia granted Partners Group exclusivity until 30 September over the sale of a 49% stake in Telepass, which manages electronic toll collection on Italy's motorway network.
- DIF agreed to buy a 49% stake in Irish-headquartered freight wagon lessor Touax Rail.
- EDP Renewables (EDPR), the renewables subsidiary of Portuguese utility EDP, signed an agreement to sell a majority stake in a 242 MW onshore wind portfolio in Spain to First State Investments' Finerge platform.
- Liberty Global agreed to acquire Swiss Telecom company Sunrise in a \$7.4 billion deal. This is less than one year after a failed merger attempt by Sunrise.
- Stafford Capital Partners (SCP) held a first close of its fourth core infrastructure secondaries fund with €153 million of commitments.
- Hong Kong's CK Infrastructure agreed to sell Iberwind, Portugal's third largest wind farm company, to Ventient Energy, a renewable energy portfolio company of JP Morgan Asset Management.
- The UK's Heat Networks Investment Project (HNIP) – a major scheme in the process of attracting large sums of capital from infrastructure investors – provided grants for two heating schemes in Wales. HNIP, which is looking to raise around £1 billion of “private and other capital”, provided £6.6 million to a heat scheme at Cardiff Council and £1.2 million for a similar project at Bridgend County Council.
- DIF partnered with French shipping giant CMA CGM to buy a minority stake in a container terminal in southern Spain. The consortium will buy a stake of 50% minus one share in Total Terminal International Algeciras (TTIA) from South Korea's largest shipping line HMM, for an undisclosed price, DIF said in a statement on 17 August.
- DIF completed the acquisition of a majority stake (54%) in 4th Utility, a fibre-to-the-premise (“FTTP”) infrastructure developer and internet service provider based in Hale, Manchester (UK).

People Moves

- Canada's Caisse de dépôt et placement du Québec (CDPQ) hired EISER Infrastructure Partners Founding Partner Vivian Nicoli as its new Head of Infrastructure for Europe.
- Luciana Germinario left her position as CFO of John Laing, as the infrastructure investor is in talks to bring back her predecessor temporarily to advise on finance matters.
- Macquarie's Green Investment Group (GIG) made the following additions to the team: Ole Bigum Nielsen joined from Statkraft to lead GIG's asset creation and management team, Chris Morrison from Vitol to lead its distributed energy and energy technology activities in Europe, which includes storage and e-mobility, and David Viner from Mott MacDonald as head of its green impact advisory team.



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- Dimitri Papaefstratiou left his role as Partner at DLA Piper's energy and infrastructure team to join EY's growing UK Energy team in London, EY has announced.
- CK Infrastructure-backed Eversholt hired Tim Durham, former head of the Macquarie European rail business.
- Ireland-based solar and wind projects developer Mainstream Renewable Power promoted its Chief Financial Officer to CEO, after Andy Kinsella vacated the role. The group said that the appointment of CFO Mary Quaney is immediate following Kinsella's resignation.
- Jan van Schoonhoven, a top PPP executive in the Dutch government, joined the European Bank for Reconstruction and Development (EBRD), focusing on promoting PPPs in developing countries.
- The German ambassador to Uganda, Dr. Albrecht Conze, joined Dentons as an Of Counsel in its Berlin office to advise on African energy and infrastructure projects.
- Infranode hired energy industry veteran Lauri Virkkunen to bulk up its expertise as its presence in the Finnish sector grows.
- Alejandro Ciruelos joined UK energy and infrastructure investment manager Sustainable Development Capital (SDCL) after leaving Santander in June.
- Global Law Firm Paul Hastings added to its infrastructure capabilities in London with the recruitment of Derwin Jenkinson as an Infrastructure Finance Partner. Derwin joins from Ashurst, where he was a Partner for seven years.

Industry Trends

- The trend continues of European incumbent telecom utilities partnering with private infrastructure investors
- As an important milestone, TIM and Cassa Depositi e Prestiti (CDP) have signed an MOU to establish a national fibre network in Italy (AccessCo) by the first quarter of 2021.
- At the same time, TIM is moving forward with a deal with KKR for a 37.5% sale of its last mile network for €1.8 billion.