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PropertyEU

JULY/AUGUST 2023

TOP 5 DEALMAKERS
BASED ON TRANSACTIONS 2022 € BN

1	Blackstone Group	21.2
2	AXA IM Alts	9.3
3	Brookfield AM	8.0
4	LaSalle IM	7.9
5	Swiss Life AM	7.5

SOURCE: PROPERTYEU

TOP 100 DEALMAKERS

NO. 1 FIRM BLACKSTONE SHARES EUROPEAN GOALS

JAMES SEPPALA
HEAD OF REAL ESTATE EUROPE, BLACKSTONE

EMPTY OFFICE SYNDROME
Will Europe follow US malaise?

BUILDING BLOCKS
Modular housing developers scale up

LIQUIDITY CRUNCH
Refinancing wall looms in UK

Forestry & Renewables Portfolio

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A unique opportunity to invest in a diverse and established portfolio with exceptional sustainability and income credentials.

Commercial conifer forest with native woodland and open ground including lochs. Landlord's interest in operational wind farm comprising 39 turbines with a total installed capacity of 89.7MW. Substantial established annual turnover with growth potential.

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All eyes on the second half

Where do we stand, as we approach the end of the first half of the year and head into the second?

From an investment point of view, the slew of negative data reported so far presents a dismal picture: an 11-year low for Q1 transactions, a 13-year low for Q1 office deals, and record low returns for leading property indices.

Commenting on the state of the market in this issue, MSCI's Tom Leahy says the rapid end to the long cycle of low interest rates has had a 'chilling effect' on deal flow, with sentiment further battered by the recent banking sector turmoil. 'After a period of such tumult it is no wonder that European property investment volumes have fallen quite as sharply as they have,' he remarks.

The dearth of transactions is particularly acute in the office sector, which has lost its shine for many investors as it struggles to adapt to the post-Covid shift to hybrid working.

Interestingly, as we analyse in this issue (p16), hybrid working practices are impacting US offices more heavily than in Europe, resulting in lower occupancy levels than on this side of the Atlantic. While the US malaise is not expected to spread to Europe, here too, redundant work space needs a rethink.

On the financing side, a mixed picture emerges (p13). Debt appears to be available for most sectors, especially beds, sheds and meds – and ultra-prime, super-green offices. But in the non-prime office segment, distressed sales are already with us, and many say there is more to come – and not just in the office sector. Meanwhile, a refinancing wall is looming in the UK for assets bought at 2021 values, with many loans likely to be in trouble.

Are there any bright spots? For those with cash to spend, like giant asset manager Blackstone, repricing and distress offer rich pickings. Armed with a massive war chest, the firm, the subject of our Big Interview this month (p8), is on the hunt for 'compelling opportunities' in Europe, which it describes as 'the most active area for capital deployment on a global basis at the moment'.

Another busy year of transactions could put Blackstone at the top of our annual ranking of biggest dealmakers again, just like in 2022 (see our Top100 ranking on p38).

For the industry at large, the biggest question right now remains where interest rates are heading and, more importantly, when they will peak, as that will dictate the shape of market activity in the medium-to-long term. And that, of course, depends on the economy and whether high inflation is here to stay.

Marianne Korteweg *Managing Editor*

A planet-load of issues to explore

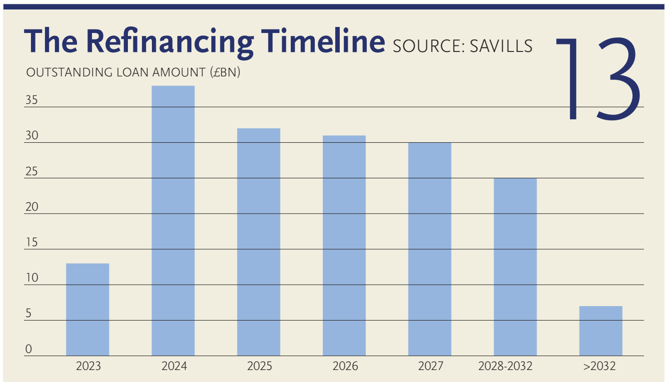
We hope you enjoyed our previous edition which covered the top logistics developers in Europe for the preceding 12 months. For those seeking more insight on logistics, we will be releasing Logistics Watch in early July, exploring some challenges and opportunities for those investing in the European logistics space. If that's not enough, we host our 5th annual 'state of logistics' event from Amsterdam on 7 September. If you or your company would like to be there for this meeting of minds please reach out for further information.

Looking further ahead, PropertyEU will once again produce the Expo Real daily newsletter with all the action from Munich in October. If your company is planning to attend Expo Real and you have a key message to convey, please reach out to our editorial team as planning is already underway. Commercial opportunities including event sponsorship, digital banners, content partnerships and video interviews are available. To discuss these please contact roche@propertyeu.info

Finally, a big thank you to all those who took part in our Green Roadshow series in April which carried the ESG in real estate debate across Europe taking in British, Dutch and German perspectives.

The full report is available now via the PropertyEU app (search PropertyEU in your app store) while the individual articles are available on the PropertyEU website (search Green Roadshow in our website search engine). You can also see some excerpts from the series in our new ESG Watch due out in mid-September.

Edward Roche *Publisher*



DEBT MARKET UNCERTAINTY

The public markets are closed, offices are difficult to finance, while problems loom in the UK for refinancing assets bought at 2021 values. Is distress on its way?

THE US OFFICE MARKET MALAISE

Working from the office in the US has lost its appeal for many, leading to questions over the future of the asset class, despite many corporations taking a hard line on workplace attendance.

FASTER, CHEAPER, GREENER

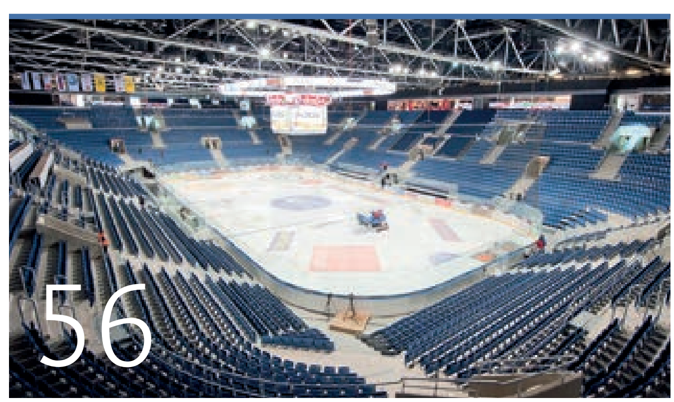
Armed with sophisticated techniques backed by the latest technology, modular developers are scaling up to meet the massive demand for homes and other buildings throughout Europe.

NEW BOSS, SAME STRATEGY

For David Ebbrell, now fully in charge at pan-European investment firm M7 following the departure of Richard Croft, it's business as usual with a strategy focused on income from multiple sectors.

NUVEEN GETS INTO SELF-STORAGE

The asset manager is eyeing further acquisitions in the sector and may also go down the development route, while targeting up to €500 mln of equity by year-end.



ICE RINKS GET AN ESG MAKEOVER

Eric Assimakopoulos, founder and CEO of Revetas Capital, explores a strategy to retrofit, upgrade, modernise and build new ice hockey facilities across Europe that meet ESG targets.

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Ready to roll

Blackstone is gearing up for 'compelling opportunities' in Europe as it works towards a first close of its latest investment fund for the region

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5	Swiss Life AM	

SOURCE: PROPERTYEU

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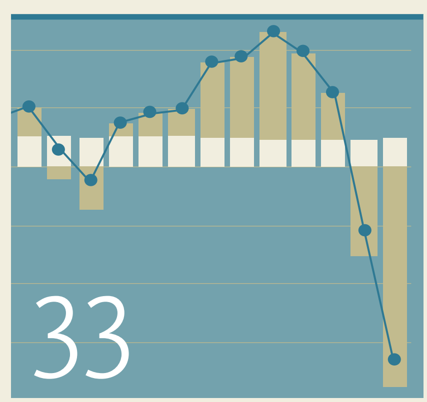
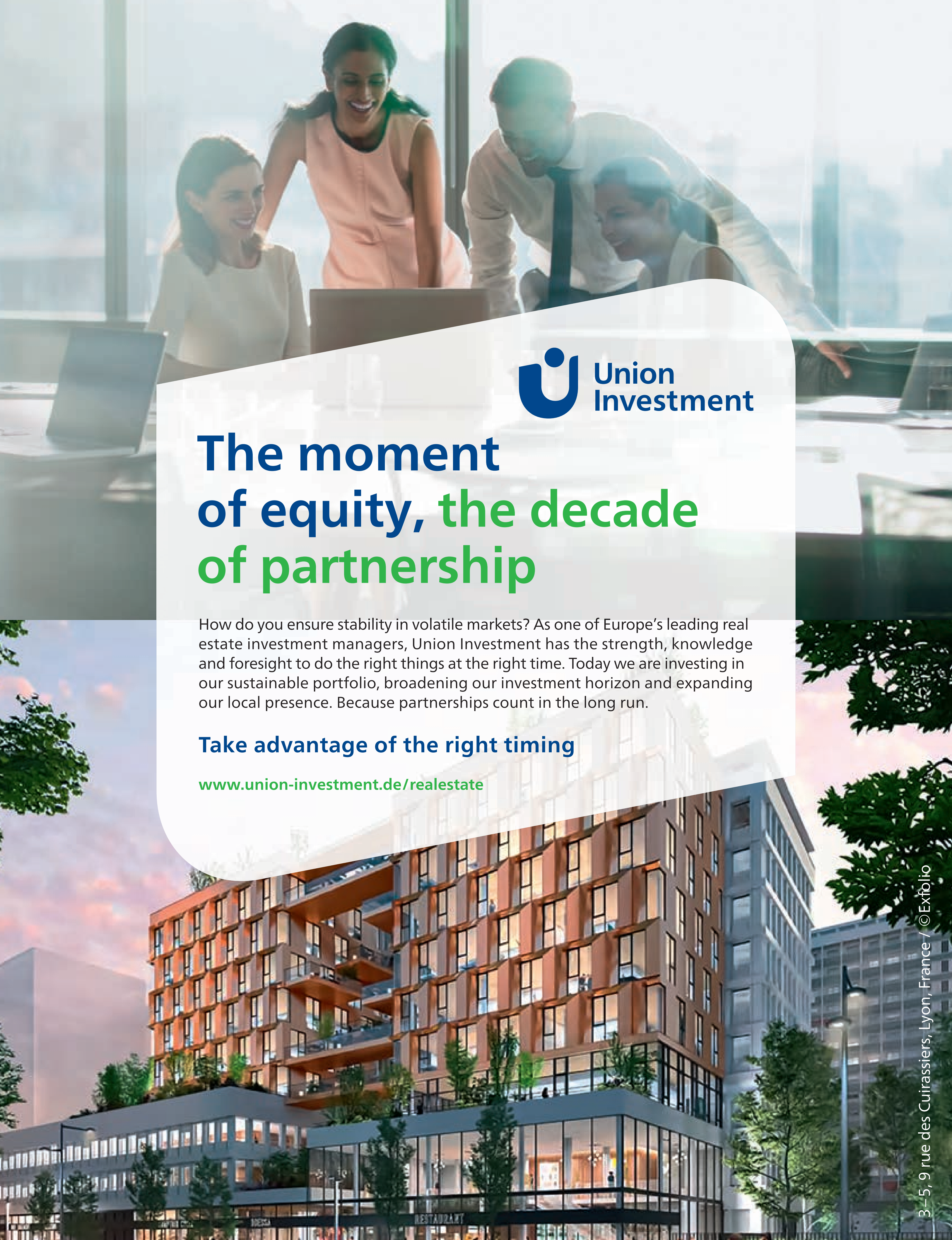
TOP 100 DEALMAKERS

PropertyEU's annual ranking highlights the most active investors in Europe over 2022, based on acquisitions and disposals.



STILL SIDELINED

After a slump in Q1 deals, buyers and sellers are seeking direction amid signs that interest rates are set to rise further.


Union Investment
The moment of equity, the decade of partnership
How do you ensure stability in volatile markets? As one of Europe's leading real estate investment managers, Union Investment has the strength, knowledge and foresight to do the right things at the right time. Today we are investing in our sustainable portfolio, broadening our investment horizon and expanding our local presence. Because partnerships count in the long run.
Take advantage of the right timing
www.union-investment.de/realestate
3–5, 9 rue des Cuirassiers, Lyon, France / ©Exfolio

With offices in the doldrums, investors are turning to alternatives such as hotels, care homes and data centres to deliver income

Newsmaker

Kevin McCarthy, US House Speaker

PHOTO: US HOUSE PHOTOGRAPHY VIA WIKIMEDIA COMMONS

CRISIS AVERTED

House Speaker Kevin McCarthy proved instrumental in the US debt ceiling agreement at end-May, securing a list of Republican priorities as he reached a deal with president Joe Biden to raise the country's debt limit. The bill suspends the limit on government borrowing until 1 January 2025. The agreement not only avoids the risk of a US federal default, but potentially side-steps a deep global recession. 'No corner of the global economy [would have] been spared,' said Mark Zandi, chief economist at Moody's Analytics.

Super statistic

480MW

DATA CENTRES SEE STRONG DEMAND

After a subdued Q1, data centre take-up is expected to hit record levels this year in cities such as Frankfurt, London, Amsterdam, Paris and Dublin (FLAPD), new research from CBRE finds. Take-up across the FLAPD markets is seen reaching 480MW in 2023, with more than half (56%) set to materialise in Frankfurt and London. Hyperscalers are expected to account for most demand, despite weaker economic conditions and slowing growth of their cloud operations. Supply of new facilities is also set to increase: CBRE expects 524MW of capacity to be delivered in 2023 (2.9MW in Q1), with a flurry of megaprojects due for completion in London, Paris and Frankfurt in the second half.

Winners & losers

BATTERY BOOM

More than 250 new battery production plants are expected to come onstream in Europe over the next decade to meet the surge in demand arising from the massive switch to electric vehicles, according to research by Buck Consultants International (BCI). The global battery market is expected to grow by 800% in the next five years, with an increasing share produced in Europe, BCI said.

OFFICE SLUMP

Investment in European offices sank to €10.8 bn in the first quarter of 2023, the lowest level in 13 years, research from MSCI Real Assets reveals. Fewer offices were sold than ever before in the quarter. The sector led the overall slump in Q1 transactions, which fell 62% to €36.5 bn as uncertainty over pricing and the higher costs of finance weighed on investor sentiment. ***See also article on p16***

Big spender

€420m

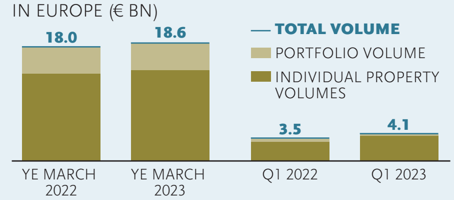
NREP

HOMES FOR SWEDEN'S ELDERLY

Nordic private equity investor NREP has acquired a care home portfolio in Sweden for €420 mln on behalf of its European value-add real estate fund. The 22 assets (20 care homes and 2 pre-schools) were purchased from developer Vectura and will be managed by NREP's social infrastructure platform Altura.

Property bar

ANNUAL TRANSACTION VOLUMES
IN EUROPE (€ BN)



HOTEL SECTOR SET FOR BUSY H2

Spurred by a number of major deals, investment in European hotels rose by 18% to €4.1 bn in Q1 compared with the year-earlier period, research from Cushman & Wakefield shows. The UK, France and Spain were the most attractive markets, accounting for 52% of the total transaction volume over the past 12 months. European buyers were behind 76% of the volume traded, while the Middle East was the fastest growing source of capital, up by 142%. Resort hotels in particular were in high demand. C&W expects investment activity to gain momentum in H2, despite increased debt costs and inflationary cost pressures.

Quotable quote

'The UK and the EU must strike a post-Brexit mutual free movement of people agreement if they are both to economically thrive over the next decade.'

James Green
Investment Director, deVere Group

James Seppala

POSITION Head of real estate Europe

JOINED in 2011

CURRENTLY BASED in London

PREVIOUS POSITION Vice-president at Goldman Sachs, focusing on equity and debt investments

Ready to roll

Having just raised the largest global property fund ever, Blackstone is now working towards a first close of its new European investment vehicle

BY **VIRNA ASARA**

Even for the biggest and most seasoned of asset managers, raising a $30.4 bn (€28 bn) fund is in itself a colossal feat and a huge vote of confidence from its investors. The achievement by Blackstone in April marks not only a milestone for the US asset management giant, but indeed a world record. It also means the time has come for the firm to roll up its sleeves and start investing the massive funds accumulated by Blackstone Real Estate Partners X (BREP X), its latest global vehicle.

In Europe, Blackstone is also in fundraising mode: here, the firm expects to secure another $10 bn of equity for its latest European fund, Blackstone Real Estate Partners Europe VII (BREP Europe VII), with a first close understood to be in the works for the second half of the year. This immense war chest has become available at one of the most exciting times for capital deployment ever, says James Seppala, head of European real estate at Blackstone.

'Europe at the moment is providing compelling investment opportunities and we anticipate that will remain the case for some time,' Seppala tells PropertyEU in an interview. 'In fact, Europe is the most active area for capital deployment on a global basis at the moment,' he adds.

The accumulation of dry powder also coincides with Blackstone's position at the top of PropertyEU's ranking of biggest dealmakers in Europe over 2022 *(see page 38)*. With €21.2 bn of transactions, Blackstone leads the pack by a long distance. AXA IM Alts, the number two in the ranking, chalked up €9.3 bn of deals, with Brookfield Asset Management following close behind at nearly €8 bn.

Seppala oversees the European investments made by Blackstone Real Estate Partners X (BREP X), Blackstone's latest global property fund and the largest real estate investment vehicle ever launched. The fund, which secured $30.4 bn of equity commitments in just a few months and reached final closing in April, is run by Nadeem Meghji, head of real estate Americas at Blackstone, based in New York.

Both Seppala and Meghji have been with the firm for over a decade and speak very highly of it. 'I applied to Blackstone back in 2007 because I had the impression – reading about the firm's investments – that it was always two steps ahead,' says Meghji.

> 'Europe at the moment is providing compelling investment opportunities and we anticipate that will remain the case for some time'
>
> **James Seppala**


The Ritz-Carlton Abama in Tenerife, owned by Blackstone's hotel arm Hotel Investment Partners, was refinanced in April together with other assets for €680 mln

THE BIG DIVIDE

The business has evolved radically over the past 15 years, according to Meghji. 'Today, we are seeing incredible dispersion across asset classes, but at the time I joined, most asset classes within real estate were highly correlated,' he points out.

Real estate sectors move in cycles and investors could produce attractive returns in most sectors if the timing was right. 'What we have seen happen in the sector the past

> ‘Today there is a greater bifurcation of performance across asset classes, and therefore sector selection has never been more critical’
>
> **Nadeem Meghji**

few years is a greater bifurcation of performance across asset classes, and therefore sector selection has never been more critical. I see this as one of the biggest changes in the investment environment and the real estate business during my time at Blackstone,’ Meghji explains.

The US industrial market – the biggest sector for Blackstone Real Estate – is showing double-digit rental growth and vacancy rates are as low as 3% while occupancy levels in the US office sector keep falling. ‘Fundamentals in logistics are incredibly strong. Logistics supply, which is already insufficient to keep up with growing demand, is starting to decline due to the volatility in the capital markets. These fundamentals are in contrast to US traditional office, which faces unprecedented challenges, with record high vacancy north of 20% and rent pressure,’ says Meghji.

Blackstone Real Estate’s view is that technology and e-commerce are causing this big divide as the single largest driver of rental growth in today’s times. Anticipating changing macrotrends, Blackstone has thus been shifting its portfolio away from assets facing headwinds such as traditional office and malls and is now approximately 80% concentrated in logistics, rental housing, hospitality, lab office and data centres.

‘We are high conviction investors,’ Seppala comments. ‘We spend a lot of time identifying and gaining conviction in investment themes which we think will do well over the next five to 10 years and then we try to align our portfolio with those themes.’

Identifying new trends early and understanding how they will play out in the real estate sector is crucial, adds Meghji. ‘We saw in 2015 that global R&D in the biotech industry was accelerating, and we asked ourselves how we could express this view in real estate; so we privatised BioMed Realty Trust (today one of the largest private providers of real estate solutions to the life sciences industry).

‘When we had a view on e-commerce penetration rising, we bought and we are still buying warehouse assets in last-mile locations. When we spotted a trend about content creation, we acquired some of the highest quality studio assets in Hollywood. And when we spotted a trend about growth in the cloud and AI, we asked ourselves how we could express this trend in real estate and we bought QTS Realty Trust, one of the fastest growing data centre companies in the world.’

Nadeem Meghji

POSITION Head of real estate Americas

JOINED in 2008

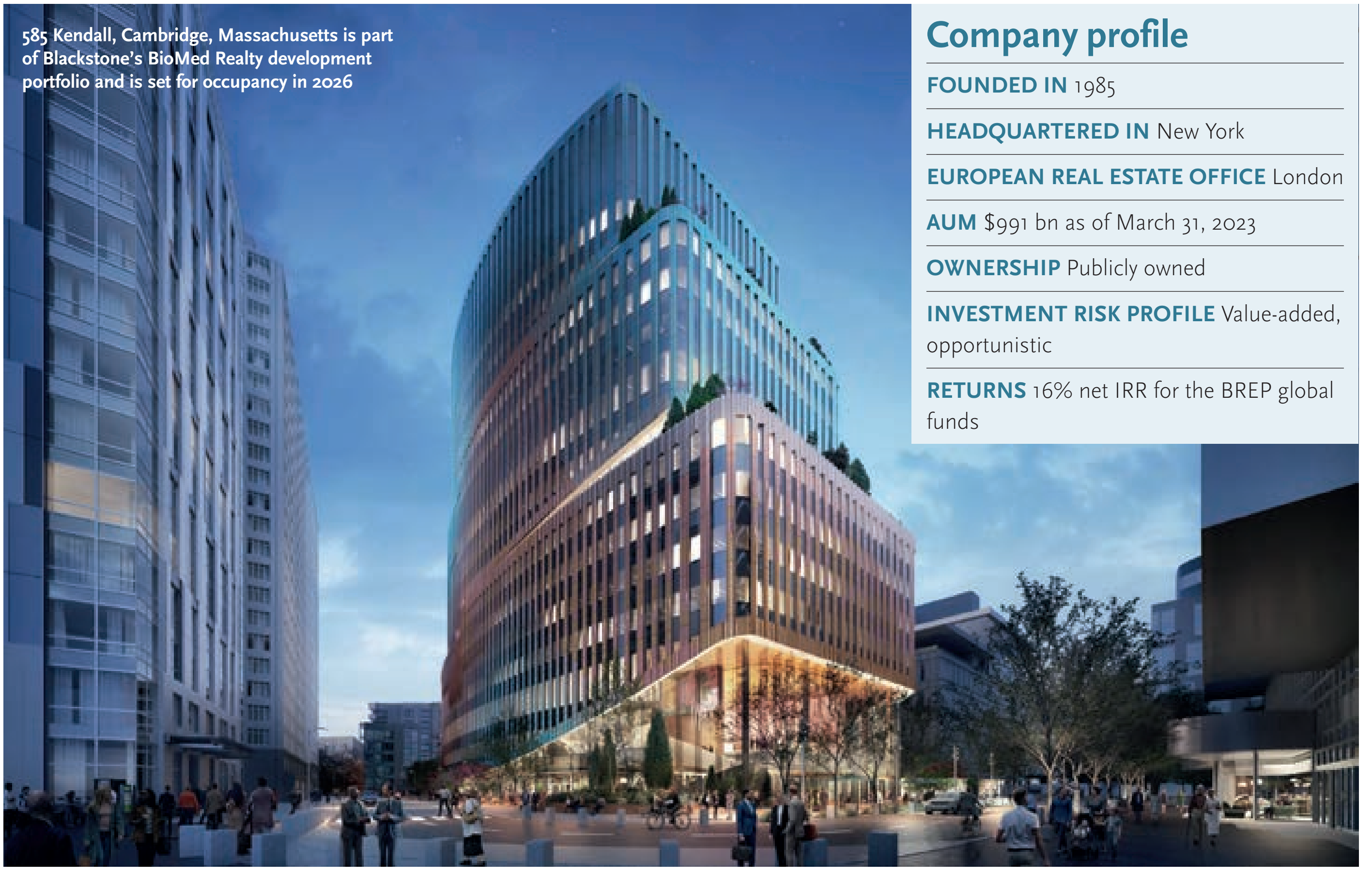
CURRENTLY BASED in New York

PREVIOUS POSITION Associate at the Lionstone Group

GLOBAL REACH

BREP X raised over $30 bn in just a few months, setting a new record for a property fund and taking a big leap from its predecessor, BREP IX, which secured $21 bn in September 2019. ‘This achievement with our global fund truly speaks to the amazing business and team we have globally, as well as the performance we have realised for our investors over the past 30 years,’ remarks Seppala.

The European fund is, however, expected to take longer to close as a result of current market volatility. The flip side of the coin is that in a difficult environment, opportunities abound and buyers are scarce. ‘The financing environment is challenging in Europe, but capital constraints benefit us as an investor in the fortunate position of having scale capital committed to us. We have navigated these periods before and we can move quickly and close transactions entirely with equity and arrange



585 Kendall, Cambridge, Massachusetts is part of Blackstone's BioMed Realty development portfolio and is set for occupancy in 2026

Company profile

FOUNDED IN 1985

HEADQUARTERED IN New York

EUROPEAN REAL ESTATE OFFICE London

AUM $991 bn as of March 31, 2023

OWNERSHIP Publicly owned

INVESTMENT RISK PROFILE Value-added, opportunistic

RETURNS 16% net IRR for the BREP global funds

financing later,' says Seppala.

Also, the fundamentals of what Blackstone calls 'its highest conviction sectors' have maintained their allure. In contrast to previous periods of dislocation including the global financial crisis, supply pipelines have remained limited and should help to support the market.

Comments Seppala: 'We have come to a period of dislocation which is different from previous downturns. Generally during these periods, real estate fundamentals were weakened further because in the run-up to the correction there would be an abundance of new developments, a lot of cranes, and these assets would be delivered into the market during a period of relative economic weakness. In today's situation, supply levels have remained limited, largely because of the pandemic, and now with what has happened to labour costs and financing costs, supply levels are reducing by 50% or more. So, the fundamentals in the sectors where we have our highest conviction are actually quite supportive. We believe that these times of market dislocation and volatility could lead to the best vintages and generate very attractive opportunities for our investors.'

Any investments made in Europe will be shared by the global fund, which largely focuses on North America but also takes a minority stake in any investments Blackstone is making in European real estate, or in Asia. 'In this way the strategy keeps an allocation to our entire international business,' adds Seppala. Although BREP X does not have a set allocation to Europe, the group anticipates that around 20% of the global fund may be invested in this region. 'Our investment volumes generally track GDP, so we tend to focus on the most liquid markets in Europe,' he notes.

This means Western Europe will be a major target and particularly countries such as the UK, France and Germany which tend to attract 60% of Blackstone's capital, or up to 90% if the Nordics, the Netherlands and Southern Europe are included.

HIGH CONVICTION SECTORS

Blackstone has bet big on European urban logistics over the past few years, starting in 2016 with Mileway's first investment, and building it into a 14.2 million m² pan-European, last-mile logistics landlord. More recently, the US giant also announced a €578 mln takeover of UK real estate investment trust Industrials REIT *(see panel on p12)*.

Buying into operating companies is a preferred investment route for the group, comments Seppala. 'We have a broad mandate from our investors, we can buy real estate, loans, securities, listed securities, and so we have a lot of flexibility for our funds to invest where we see the

St Modwen – a Blackstone company – revealed plans in April to invest £59 mln in Phase II of Park Derby

The deal for Industrials REIT

Blackstone recently won support for its €578 mln takeover of UK real estate investment trust Industrials REIT through its subsidiary Sussex Bidco. Under the deal, Industrials REIT shareholders will receive £1.68 (€1.90) per share in cash, reflecting a premium of 42.4% on 31 March. The enterprise value of the deal, including debt, amounts to £700 mln (€792 mln).
The firm focuses on UK multi-let industrial assets and owns a portfolio comprising 104 multi-let industrial estates providing a total of just over 7,600,000 ft² (700,000 m²) of lettable space in England, Scotland and Wales.
'Following careful consideration and reflecting on the uncertain macroeconomic backdrop, we believe this offer is in the best interests of Industrials' shareholders, providing them with cash certainty at an attractive premium to the pre-offer share price and significantly accelerating the value that could be realised by Industrials if it were to remain listed,' said Industrials' chairman, Richard Grant.
The deal is expected to close in Q2 2023, subject to customary approvals and conditions. James Seppala, head of Blackstone real estate Europe, said the firm had been preparing for this cycle for a long time. 'The acquisition sees us doubling down on the logistics sector and the UK which is our largest logistics market in Europe. As one of the largest investors in logistics real estate globally and in the UK, [...] we have assembled a high-quality portfolio and positioned it for growth. We have the track record, capital and scale to enable Industrials to capitalise on the opportunities ahead.'

'We believe that these times of market dislocation and volatility could lead to the best vintages and generate very attractive opportunities for our investors'

James Seppala

best opportunities. There is more to buying into operating companies than just extraordinary assets, you can align yourself with a fantastic management and use the platform to grow the business, this is when really good things happen.'
In the living sector, the group is mostly active through the Sage Homes and St Modwen platforms, which were acquired in 2018 and 2021 respectively. Says Seppala: 'We have focused on rental housing and affordable housing for many years and we will continue to fund and grow these businesses going forward.'
Sage Homes in particular recently announced it is increasing its delivery target to 30,000 affordable homes by 2030. 'I expect rental housing will continue to see income growth because of a huge mismatch between supply and demand,' he adds.
In the US, too, the market cannot keep up with demand with a reported deficit of four million housing units, observes Meghji. 'In the past several months we have seen housing permits decline by over 20%. This applies not only to rental housing but also to student accommodation.'

STUDENT HOUSING

Last summer, the US giant acquired American Campus Communities, Inc, the largest developer, owner and manager of student housing in the US, for a total of $12.8 bn. Says Meghji: 'We are now growing our student housing platform in some of the largest college towns in the US. This is supported by fundamentals; new supply in top universities has declined by approximately 50% and at the same time we are seeing increasing demand for student rooms.
'We also noticed 18 months ago that rental demand in traditional apartment assets was higher than what we were seeing in student housing. We thought that disconnect didn't entirely make sense and that student housing was lagging as we emerged from the pandemic. This is why student accommodation represents one of the most recent themes we entered with conviction.'
Although Blackstone Real Estate invested as much as €48 bn globally last year, it may accelerate investment activity further this year, as Meghji says. 'I expect we are going to remain in an environment with slightly higher volatility for some time. In a moment like this there might be misperception about real estate and the attractiveness of the sector. It is in moments like this that we do our best work and some of our best investing. Our objective is to take a long-term view based on our data and invest with conviction.' ■

No sign yet of end to uncertainty in debt markets

The public markets are closed, offices are tough to finance, while problems loom for refinancing assets bought at 2021 values

BY **JANE ROBERTS**

For a financing proposal that involves the words 'secondary office', any meeting with an investment committee is likely to be a very short conversation, says Chris Gow, CBRE's head of debt and structured finance for UK & Ireland.

Commenting on current debt liquidity for real estate, Gow is at pains to stress that distress in the European office sector due to changes in working practices is not as deep as it is in the US (*see article p16*), where his colleagues confirm that American banks have slammed their doors on any more office lending.

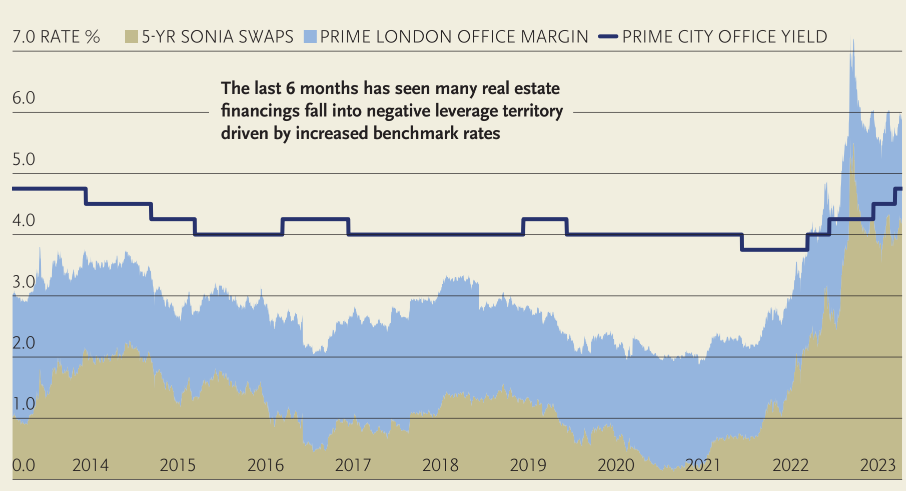
Gow cites an April $500 mln (€469 mln) refinancing which CBRE advised on, of 919 Third Ave, an 80%-let Manhattan office tower owned by SL Green. He observes it's noteworthy that there were no US banks in the five-strong club which wrote the loan against the 140,000 m² skyscraper at a 250 basis points margin, with the cost swapped to a fixed rate of 6.11%. The lenders were: Aareal of Germany, Crédit Agricole of France, Bank ABC of the Middle East, plus non-bank US lenders MetLife and PacLife.

'Even if there is no problem with the cashflow, an asset acquired in 2021 is going to be revalued and at less than its purchase value'

Chris Gow, CBRE

In Europe, there is liquidity, even competition to lend on some offices, said Nick Harris, Savills head of UK and cross border valuation, speaking at the adviser's annual Financing Property presentation, launched on 24 May in London. But, only if your office is new, green, well-let and ticks 100% of the boxes. The evidence is that most of the tripling of the all-in cost of debt for prime offices is due to interest rates – margins have not actually moved out very much. However, at around 6%, borrowers face an all-in cost that is now higher than prime yields of 4.75% for City offices and 4% for the West End *(see chart 'UK Real Estate Cost of Debt')*.

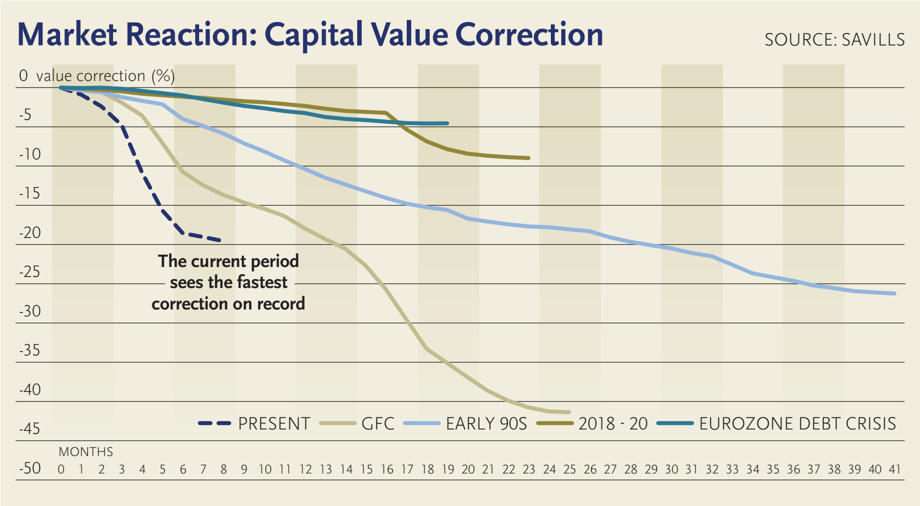
UK Real Estate Cost of Debt SOURCE: SAVILLS

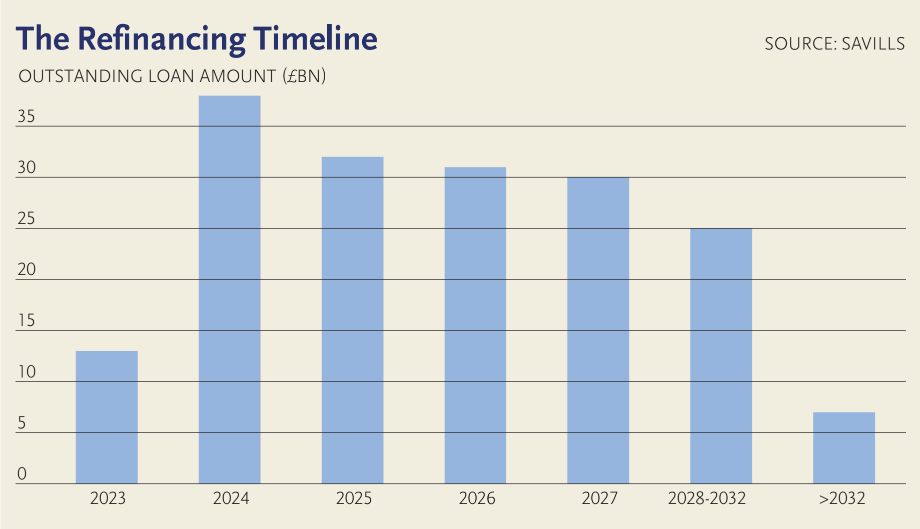


In the non-prime bucket, distressed sales of European offices are already with us, with banks initiating either consensual or non-consensual sales where breaches can't be cured. At Canary Wharf, for example, two office buildings are for sale, 5 Churchill Place and 20 Canada Square, where borrower Cheung Kai Group failed to repay loans from Lloyds Bank which are both under water.

REFINANCING WALL

Harris and Gow say distress has been limited thus far, but both anticipate more to come, and not just in the office sector. There is a refinancing wall looming in the UK in 2024, when approximately £38 bn (€44 bn) of debt is due to be repaid, according to the most recent Bayes UK Commercial Real Estate Lending Year-end 2022 report from City University, published in May. The first problems may surface in the three-to-five year loans written in 2021, because many are likely to be in trouble with LTVs deeply under





> ‘There is liquidity, even competition to lend on some offices, but only if your office is new, green, well-let and ticks 100% of the boxes’
>
> **Nick Harris, Savills**

water and interest coverage ratios in breach. Gow points out that an investor who bought in 2018 probably saw both value appreciation pre-Covid and rental growth as well, helping to offset the fastest value falls on record in the UK *(see chart ‘Market Reaction: Capital Value Correction’)*. ‘But a 2021 acquisition may have had no initial value appreciation and no rental growth. So, even if there is no problem with the cashflow, that asset is going to be revalued and at less than its purchase value.

‘We are going to see this come into focus in the second half of 2023: what happens to those loans if they go into cash-trap, or breach LTVs, causing problems for banks from a capital perspective?’

Banks are supporting clients wherever they can, not least because most of their business is currently refinancing rather than writing loans for acquisitions. May’s Bayes UK survey recorded a record high proportion of refinancings, at 65% of the £48.6 bn of new lending last year. Gow says this chimes exactly with the split in CBRE’s debt advisory business, where 60%-65% of its work has been refinancing, about 25% development loan advisory and only a little working on acquisition loans.

At his presentation, Harris said loan volume remaining due this year is down significantly because many investors sought to refinance debt falling due in 2023, early. Bayes notes that borrowers that could, also extended loans out to 2024 *(see chart ‘The Refinancing Timeline’)*.

Where borrowers can cure breaches, banks are often keen to ‘amend and extend’. On one refinancing of a maturing loan against a UK retail park, the two German bank lenders want to continue as senior lenders if the LTV can be paid down from 60% to 50%-55% and CBRE says the borrower client has ‘a multitude’ of mezzanine options to choose from to plug the gap.

NON-BANK LENDERS

However, UK banks in particular can be restricted by capital risk weighting requirements; Bayes found around half the refinancings in 2022 involved a change of lender, which is well above the norm. European banks generally are not taking on large bilateral loans, anything over €100 mln, and the market is back to the days of clubs.

Harris and Gow point out that this is an opportunity, especially for non-bank lenders, whose market share in the UK has crept up to 31% of all origination and a startling 61% of development finance, according to Bayes.

Gow is working on a residential deal with an insurance company lender comfortable to write a bilateral ticket for a residential refinancing at 55% LTV and a cheaper rate with a volume that could eventually be expanded to £250 mln. M&G Investments has written some big bilateral loans, such as the £200 mln refinancing of the maturing loan in CMBS bond ‘Ribbon’ in January for Vivion, secured on a hotel portfolio. With bond markets closed, there are more refinancing opportunities for the private market.

So, many lenders are busy, and there is

liquidity for most sectors, especially beds, sheds and meds. 'There is most liquidity for residential for rent and logistics, and sentiment is recovering for hotels and retail, particularly retail parks. US banks are getting behind science parks,' Gow reports.

An obvious consequence of the volatility is that all transactions are taking longer. 'It used to be three months, and now it's more like 4-6 months because lenders are asking more questions and they have more internal barriers to jump,' Gow says.

Hedging requirements have certainly changed from a year ago when lenders might have only required 50% to be hedged, and now insist on 75% or even 100% cover. Market participants say this may explain why more debt funds have begun to offer fixed loans, Alliance Bernstein, Alpha Real Estate and Silbury being examples. The attraction to borrowers is their cost is certain and they avoid having to spend an additional £1 mln-£2 mln upfront on a cap.

> 'There is most debt liquidity for residential for rent and logistics, and sentiment is recovering for hotels and retail, particularly retail parks'
>
> **Chris Gow, CBRE**

Savills' research for Financing Property included asking lender clients when price discovery would be complete and when European markets would return to more normal levels of investment deals. The answers varied a lot. Harris pointed out that more activity doesn't necessarily mean values will stabilise. More evidence could instead mean valuations tumbling further (*see panel*).

Looking ahead to other trends that could cause volatility, Harris said the transition to green buildings increases the likelihood of stranded assets and consequently the emergence for the first time for this reason of stranded loans. Right now, however, the biggest uncertainty remains where interest rates are heading and when they will peak, and that of course depends on the economy.

CBRE's Gow remembers there was a time not so long ago when he rarely felt the need to look at the forward interest rate curve at all. 'Now I check it every day and maybe several times. It is at the forefront of everyone's minds.' ■

UK price correction: are we nearly there yet?

For Savills' 35th Financing Property presentation, Nick Harris and his team surveyed their lender clients to explore whether a landing point on price discovery is in sight, and found that most think the UK market will see further price falls in the coming six months – even if transactional activity picks up.

As the chart shows, a higher proportion of respondents believe the market will see a greater negative correction than a positive one over the rest of this year.

This comes after the UK has already seen the fastest correction in recent times, despite there being very little transactional activity evidence due to the slump in deal volume. This has even led to some jibes that for once valuers are leading the market rather than following it, as has been the complaint in the past.

In the UK, according to MSCI, values have collapsed by more than 20% in the eight months to date, though the rate is slowing. After the global financial crisis, values took 14 months to fall this far.

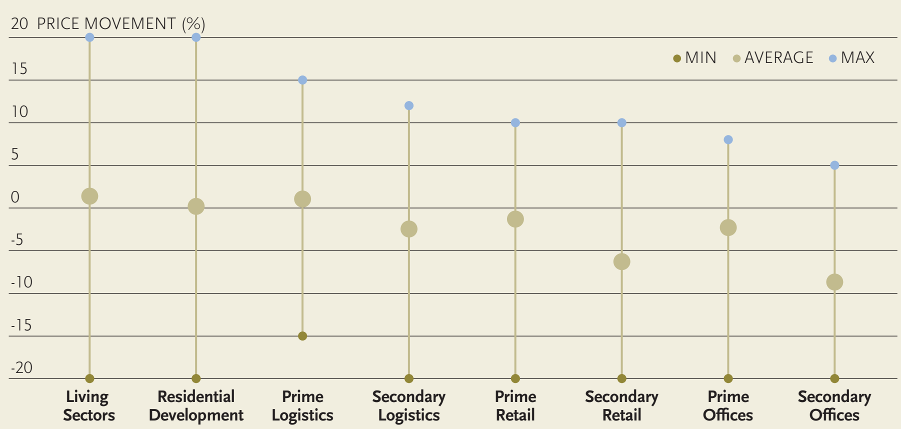
Harris said it was interesting to note the wide divergence of views from lenders, about the same real estate sectors. Even for living and prime logistics, which were the only sectors where the average of all the views was that prices have now stabilised, the range was 20% either way for residential and 15% either way for logistics.

Harris said: 'Typically, we would expect market views to be broadly aligned, but the disparity underlines some of the fundamental challenges around the future outlook for pricing...For the market to progress, this dislocation of expectation needs to narrow.'

Like other big agency firms, including CBRE, Savills expects investment transaction volumes to pick up in H2 2023, a belief based not necessarily on vendor-buyer views converging but partly on pipeline visibility and partly on the expectation that investors will not put off buying/selling decisions much longer.

But Harris cautioned that this doesn't necessarily imply that pricing will improve and values start to recover, because the evidence from more deals might indicate further value falls.

Your Views: Price Movement Over the Next 6 Months



SOURCE: SAVILLS

San Jose in California has the lowest office occupancy of all major cities in the US

A difficult new world

Working from the office in the US has lost its appeal for many, leading to questions over the future of the asset class

BY **ROBIN MARRIOTT**

In real estate it is often said that what one sees in the US is a precursor to what's coming in Europe.

Over the cycles, this has often proved right. Sometimes, it is to do with how the psyche of US business leads to quick acceptance of pain followed by recovery. Later, Europe catches up. Yet, there is a big new real estate story that is unfolding in the US that might yet prove an exception.

The latest data suggests that US workers are spending less time Working From Office (WFO) than their counterparts in Europe. The average occupancy level in 10 top US cities is 49.9% according to Kastle Systems, which uses keycard, fob, and app access data to determine weekly office tenant occupancy rates. This compares with an average occupancy level in key European cities of 55%, according to Savills.

Unlike other US stories, Europe is not predicted to follow the US in lower WFO or occupancy levels. But why the difference?

'That is the million-dollar question,' says London-based Victoria Mejevitch, head of global benchmarking services at JLL.

Why US workers are spending less time Working From Office does not have a scientific answer. But the data suggests in the US it is 2.4 days a week. In France, it is 3.1 days, in Switzerland 2.8 and in the UK 2.6. But just as interesting as the US-Europe divide are differences between European countries. Germany, for example, has the lowest WFO rate at 2 days.

> 'Office real estate is at the centre of a natural workplace experiment, and 2023 is marking a new phase in this experiment'

Though there are no empirically proven reasons, many people have their own theories to explain the differences.

On a recent business trip to Vienna in March, the author met a real estate company executive working downtown who said offices in the Austrian capital were busy. He said travel to and from office locations in Vienna was relatively simple and quick in this city. And those living in apartments are choosing to come into the office.

JLL's Mejevitch says: 'I think differences are a lot to do with the length of commute, and the office location. The worst attendance in the US is for offices in business parks in the middle of nowhere and the availability of space at home – enough space for the home office.'

It's an important thing for companies and landlords to understand. For landlords, they need to know what their customers need, and companies meanwhile are concerned because links have been made between days in the office and productivity. In March, global asset manager, DWS, said in a research paper about sustainable next-generation offices: 'Research indicates that productivity increases when working from home for 1-2 days a week, but strongly decreases thereafter, making the case for hybrid working models with different layouts, including more collaborative spaces and meeting rooms.

'Covid-19 already led to changes in occupancy rates and office reconfiguration. After government-imposed restrictions were lifted, occupancy rates started to recover, but remain below pre-Covid levels.'

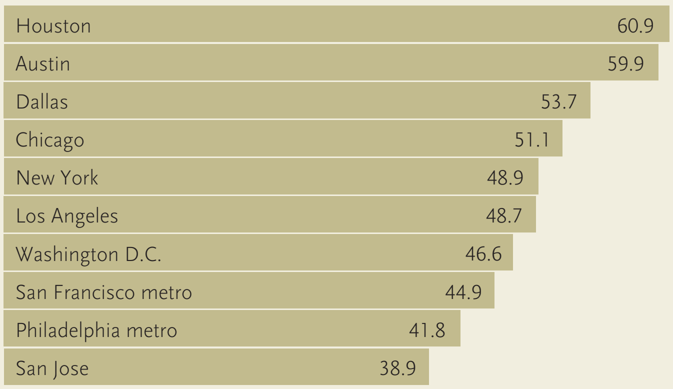
SILICON VALLEY SLUMP

As of May, the average occupancy level among 10 major US cities remains below most of Europe. According to Kastle Systems, Austin in Texas has the highest occupancy level at 68.1%, while San Jose – 'the capital of Silicon Valley' – has the lowest at 40.6%.

And, a recent report by Savills also backed up the identification of San Francisco and the South Bay area as having the highest office vacancy rates.

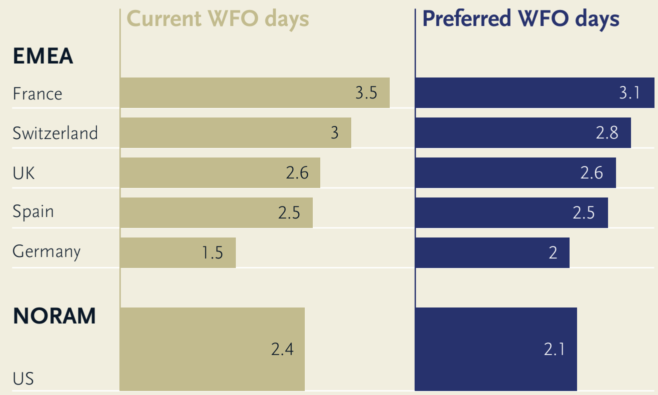
'With economic uncertainty, slow return-to-office utilisation, and an ongoing correction in the technology sector, it is no surprise that

Office tenant occupancy US



SOURCE: KASTLE SYSTEMS/BLOOMBERG/NAREIT

Work from office days by country



SOURCE: JLL

the San Francisco office market has gone from having the lowest availability levels in the country pre-pandemic to having the highest availability levels in just over three years,' Savills stated in its report.

Numerous local news outlets picked up on the story such as the Mercury News, which said: 'Office vacancy rates have increased in the South Bay and have ballooned to brutal levels in San Francisco amid a wobbly economy jolted by wide-ranging job cuts in the tech and biotech sectors.

'Silicon Valley's office vacancy rate increased to 23.1% in the first quarter of 2023, a level that Savills described as a new historical high, and up from 22.7% in the final three months of 2022.'

Asking office rents in San Francisco, on a monthly basis, averaged $5.89 per square foot in the January-through-March quarter of 2023, down from $5.94 per square foot in Q4 2022. 'We expect office availability (in San Francisco) to continue to increase in 2023 as the slowdown in the technology sector persists,' Savills said in the report.

Cresa, another real estate advisory firm, said in a report that a lot of layoffs had taken place in Silicon Valley. Bob Badagliacco, senior vice president in Cresa's Silicon Valley office told news outlets: 'With the macroeconomic headwinds that hit the economy last year, and a lot of layoffs and things like that, the road ahead for the office market in Silicon Valley – albeit perhaps not as bleak as in urban markets – is still going to be a challenging couple of years. Most of my office client base is looking to get rid of space, not secure new space.'

> 'Technology companies have worse office attendance than other industries. It seems technology and financial services are on the opposite sides of the spectrum'

LEAVING THE BIG CITY

In New York, the average occupancy level is 48.4%. This is a city that some young workers have decided to leave in order to return to their hometowns.

Josh Nowak is just one of many examples. He is a freelance video production worker who moved back to his home state of Ohio.

He says: 'I moved from NYC back to Columbus, Ohio, about a year ago. The cost of living wasn't necessarily the issue for me; it was just the desire to have a larger living space and to be closer to my family.

'Columbus is also experiencing quite a boom right now; it's supposedly on track to eclipse Chicago's population and be the largest city in the Midwest in about a decade or so. That's primarily due to many tech companies coming here, like Intel. All that aside, I travel quite a bit for my work directing/shooting commercials and movies, so I rarely work in the city I live in.'

Asked if he felt office occupancy levels were falling in the US, he adds: 'I don't doubt it. The above is just my experience. We may be entering a recessionary period globally, or we may be already in one. I know many people in the US are now considered "gig workers" or freelancers. I would be included in that. I was hired for a two-month contract, and when it's up, I go on to the next project with whoever will hire me. But I feel fortunate and grateful to make a steady income. I know some are less fortunate.'

In the US, the linked point people make is an obvious one. That if people live in the suburbs and are not travelling into the centre so much, then the 'burbs are 'thriving'. Some might be moving from centre locations to these fringes. This has been dubbed the donut effect. The suggestion is this has been seen most notably in New York and San Francisco.

There are clearly nuances in the US office markets, as Troy Javaher, head of Europe at Lincoln Property Group, notes.

He experiences this first hand when visiting his employer's HQ at Dallas, Texas, as well as other US metropolises and European cities. 'There are certainly the well-identified differences between the US and the European/UK office markets,' he says. 'The different leasing characteristics, the greater dependency on tech occupiers and the much greater supply of dated, commoditised (particularly suburban) offices are definitely adversely impacting the US more than they are on this side of the Atlantic.'

He adds: 'And then there are the geographical comparisons even within the US, such as the differences in occupancy between the coastal gateway cities and those of the Sunbelt markets.'

PICK-UP IMMINENT?

JLL's Mejevitch notes how since the beginning of this year, more organisations have mandated – or will be mandating from the autumn – a certain percentage of time in the office for their employees. Examples include: Amazon three days, JP Morgan four days, and Blackrock four days. She draws attention to the Kastle barometer, which suggests office utilisation is creeping up in the US. For example, in Dallas, Texas, levels have risen from 51.9% to 53.8% of late, and rises have also been seen in Austin, Houston, and New York. But then again, declines have been observed in LA, San Jose, Chicago, Philadelphia, San Francisco, and Washington DC.

Mejevitch observes: 'Technology companies have worse attendance than other industries. It seems technology and financial services are on the opposite sides of the spectrum.

'Regarding the human experience in offices, people who work in a hybrid way and are in the office 3-4 days a week seem to be the most stressed.'

> 'Compelling people back to the offices won't work, but creating compelling spaces will, which in turn drives compelling rents'

But what does the US occupancy malaise mean to real estate office owners?

In the US, the Nareit T-Tracker measures the overall performance quarter by quarter of what it calls 'the heartbeat' of the US listed REIT sector. Its data for the fourth quarter of 2022 underlined that office occupancy is lagging other property sectors – putting the figure at 89.3%. Yet the organisation said performance looked okay. 'Despite slow returns to the office, office REITs displayed considerable operational strength. In aggregate, office REITs posted annual funds from operations of $7.3 bn in 2022, a 4.9% increase over the prior year.'

But no-one knows where US office REITs are headed. Nareit said: 'Office real estate is at the centre of a natural workplace experiment, and 2023 is marking a new phase in this experiment. We likely won't know the future of offices for at least a few more quarters or years.'

Already the signs do not look great. In May, reports said cash flows have begun to erode as more tenants downsize amid hybrid practices. However, Lincoln's Javaher has a positive message for the market. 'There are differences, but also the similarities of what is working are also clearly identifiable and applicable to both sides of the Atlantic. Both US and European markets exhibit the increasing polarisation between the "best and the rest" and both will require a significant rethink into how to viably repurpose a massive proportion of the functionally obsolete space.'

'Nonetheless, there is very solid demand for the excellent, sustainable buildings in the best locations which offer exceptional amenities in a proper, walkable mixed-use environment.

'Compelling people back to the offices won't work, but creating compelling spaces will, which in turn drives compelling rents.'

Which for real estate professionals, is what it is all about. ■

'The fundamentals of offices are terrible'

Some hawkish real estate professionals in North America are making grave assessments of the US office market

BY **ROBIN MARRIOTT**

In an interview with CNBC Television a few weeks ago, Patrick Carroll, founder and CEO of property firm Carroll which has 33,000 multifamily units in North America, said: 'Multifamily is going to be okay, fortunately, but the office market is going to be destroyed.

'The fundamentals of offices are terrible. After Covid, Work From Home means the working week is now Tuesday to Thursday, and so people are taking less office space, and no-one wants to lend on it – it is a disaster.'

Work From Home is becoming one of the most contentious issues in real estate. JP Morgan Chase, America's largest bank, recently told employees via an internal memo that it is ending hybrid work for its senior staff. 'Our leaders play a critical role in reinforcing our culture and running our businesses. They have to be visible on the floor, they must meet with clients… and they should always be accessible for immediate feedback and impromptu meetings. There are a number of employees who aren't meeting their in-office attendance expectations, and that must change,' the note reads, adding that managers would be responsible for taking 'corrective action' if employees failed to comply.

News organisations pointed out that the internal memo might have a secondary motive. A year ago, the bank revealed plans for a new global headquarters in New York City, stretching up to 60 stories high. When it opens in 2025, it will have capacity for 14,000 staff.

Notwithstanding, real estate figures such as Carroll remain convinced the office sector is in trouble. 'Once you allow people to work from home, they are never going back,' he told CNBC. 'People can work from home, especially back-office jobs.' He added: 'Developers are going to have to figure out how to repurpose office buildings. It is here to stay.'

Asked by CNBC anchors what would happen in the US, Carroll said: 'New York is going to have to figure out the office problem. It is the biggest office market in the world. Eighty percent of those buildings don't make sense anymore.

I think you are going to have cities step in

> ‘Work From Home means the working week is now Tuesday to Thursday, and so people are taking less office space, and no-one wants to lend on it – it is a disaster’
>
> **Patrick Carroll, founder and CEO of Carroll**

and advise developers to convert them to some better use.’

STAY ALIVE ’TIL ’25

He also gave an insight into landlords’ minds given the dearth of transactions following US interest rate hikes. ‘Lenders are not willing to lend because they don’t know where rates are going.’ Carroll continued: ‘I talked to one of the biggest landlords in the world yesterday. He is a friend and mentor. What he is telling everybody is “stay alive ’til ’25”. What you have is a liquidity crisis. There is no debt available, cap rates have expanded to over 5% – a year ago they were at 3%. If you do the math, that is almost a 40% drop in value.’

The US CEO remarked that ‘no-one is willing to lend because they don’t know where rates are going, and no-one knows how to value commercial real estate properties’.

He added: ‘Things have to bottom out and they haven’t yet. I read that there is $1.5 trn of maturing US commercial real estate debt by 2025. Sellers are not realising how much their properties have lost value and they are not willing to dump their properties yet because they haven’t felt enough pain. But they are about to because these lenders are spooked. It’s going to be ugly. It’s going to be at least as bad as 2008.’

He concluded: ‘People don’t want to say that. But the party is over.’

Fears of a commercial real estate crash have also been stoked by others. For example, in a recent TV interview, Oaktree Capital’s co-founder and CEO, Howard Marks, said commercial real estate could present a systemic risk given the level of US mortgage defaults that could happen, and that is frightening banks. ■

Mind the gap

CBRE has suggested some distressed sales of US offices could materialise due to what it calls a ‘debt funding gap’.

In a paper published in December, CBRE said a funding gap exists when investors are forced to refinance at a loan-to-value ratio lower than at which they first borrowed or when the value had fallen since the original valuation.

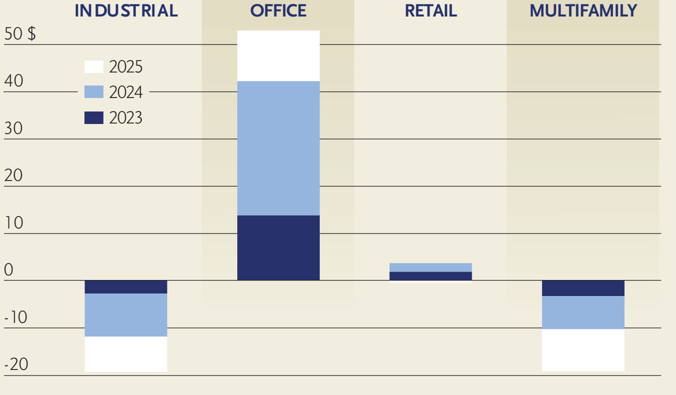
Between 2023 and 2025, the firm’s Econometric Advisors team calculate a $52.9 bn (€48.7 bn) gap is likely to lead to distress for some investors, while others are forced to inject more cash into their properties.

CASE STUDY

To understand the debt funding gap, CBRE says consider a theoretical office building worth $100 mln in 2019. By 2024, it expects the value of the property to have fallen by 15% to $85 mln. With a constant LTV of 72%, the property owner could expect to borrow $61.2 mln against it. So far, this would create a debt funding gap of ($72-$61.2) $10.8 mln. However, once the lower LTV of 57% is used, the property owner can only borrow $48.4 mln. Together, the combination of expected value decline and lending conditions means this building will experience a debt funding gap of $23.6 mln by 2024 ($72-$48.4). This means that a capital structure that initially consisted of $28 mln of equity (72% LTV) will have to find a way to nearly double the equity in the asset. Borrowers facing a potential refinancing gap may pursue additional equity or mezzanine financing to pay off the existing loan. In addition, they may negotiate a discounted payoff with the lender, or an extension of the loan term if property income conditions are likely to improve. Ultimately, some borrowers may be forced to default.

Offices face a big debt funding gap compared to other asset classes

5-YEAR LOANS ORIGINATED IN 2018, 2019, 2020



SOURCE: CBRE ECONOMETRIC ADVISORS

Celebrate the differences

In assessing demand for office space, it's essential to consider how remote working patterns differ across Europe, writes Alexandre Grellier, CEO of Drooms

Alexandre Grellier

There are several common factors at play globally that we can point to regarding the extent of remote workers returning to workplaces.

As remote work became more prevalent after Covid, many businesses realised they could save on rent by downsizing their office spaces.

With fewer employees coming into the office, companies needed less space, and many businesses decided to move to smaller, more affordable locations or even close offices altogether. This led to an oversupply of commercial real estate, particularly in urban centres.

As the world slowly recovers from the pandemic, many businesses are bringing their employees back to the workplace, at least part-time. While this could lead to increased demand for commercial real estate, it's essential to consider how the return to the office will impact businesses' decisions about office space.

We've analysed how the return to work trend differs by region. Given other global factors such as higher inflation, higher interest rates and supply chain problems affecting CRE, the return to work element cannot be viewed in isolation. Whilst it's hard to directly measure its impact on commercial real estate values with so many other variables, it remains a valuable guide for consideration as a significant contributing factor.

1 UK

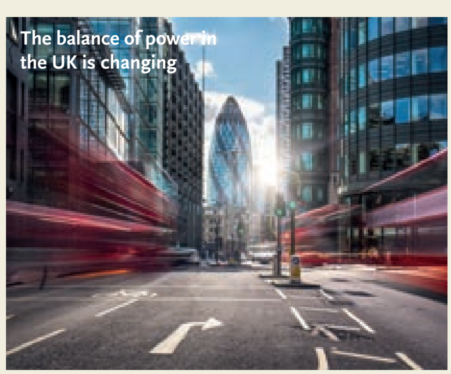
In the UK, there are signs that remote working has peaked following the pandemic. Employers and managers are keen to see more people back in the workplace.

According to property consultancy Remit, the daily average number of employees working from their offices in England and Wales during the first full working week of September 2022 reached its highest level since May 2021.

However, this peak only amounted to 31%. In the West End of London and Docklands, areas home to numerous banks and financial institutions advocating for employees to return to the office, office occupancy reached 50% on specific days during the week ending on 9 September, 2022.

The financial sector has made no secret of its desire to return employees to offices. Even as long ago as February 2021, Goldman Sachs CEO David Solomon told a Credit Suisse conference: 'I do think that for a business like ours, which is an innovative, collaborative apprenticeship culture, this is not ideal for us. And it [remote working] is not a new normal. It's an aberration that we're going to correct as soon as possible.'

Already, the balance of power is shifting in the UK. The power of employees to demand how and where they work is diminishing as the threat of redundancies and recession impacts the UK job market. We're now starting to see redundancies across a range of sectors. Ford has cut 1,300 UK jobs as part of a programme to slash 4,000 jobs across Europe. British Steel is rumoured to be reducing the workforce at its Scunthorpe plant by 1,200 employees, with Port Talbot also under threat. The UK retail sector has shed over 15,000 jobs since the start of 2023 alone. Whilst these sectors are not necessarily high on remote working, they set the tone across other industries. This is reflected in the proportion of vacancies on LinkedIn offering remote working, which has dropped from 16% to 12% in December 2022.



The balance of power in the UK is changing

There's uncertainty on how the return to offices affects CRE investment and transaction values. The Carter Jonas February 2023 Commercial Outlook highlights that the situation is complex.

High inflation in the UK is leading to increased cost pressures for corporations, which is expected to intensify their emphasis on reducing expenses and improving productivity. While corporate real estate ranks as the second-largest expense after salaries for numerous businesses, offering superior-quality workspace can also enhance productivity.

Even though there is a large amount of office stock available, there is a need for more quality space, which employers are seeking to create a vibrant working environment. This has driven an increase in prime rents, with the RICS Q4 survey predicting a 10% increase for 2023.

2 Germany

Before the pandemic, remote work wasn't widely embraced in Germany. Since the home working requirement was lifted in April 2022, numerous businesses have started bringing their employees back to the workplace. The German government


Flexible arrangements are popular in Germany

has supported this shift, expressing worries about the adverse effects of remote work on productivity and innovation.

Nonetheless, flexible work arrangements are predicted to continue gaining popularity in Germany, as many workers and companies have experienced their advantages. Therefore, the workplace in Germany will likely be a combination of remote and in-person work after the pandemic, with companies providing their employees with more flexible work.

According to a survey conducted by the Munich-based think-tank Ifo in August 2022, 25% of employees in Germany were still working from home part of the time. This represents a significant increase from the pre-pandemic figure of 15% of remote employees.

Prof. Oliver Falck, director of the Ifo Center for Industrial Organization and New Technologies, states that the proportion of employees working remotely in the German economy is stabilising at 25%. He expects this figure to remain relatively constant in the long term.

However, the average proportion of employees working remotely in Germany masks significant variations across different industry sectors. According to surveys by the Ifo Institute, management consultancies in Germany are particularly likely to have staff working from home, with 72.5% of employees in that sector working remotely at least some of the time in November 2022, up from 71.5% in August.

Remote working is also prevalent among IT service providers (71.7%) and in advertising and market research (60.4%).

Savills points out that historically, every recession in Germany over the last 30 years has resulted in a decline in office take-up. We predict this trend to continue in 2023, with signs of diminishing demand for office space, such as an increase in the availability of sublet offices and a decrease in rental inquiries. Consequently, the rise in vacancy levels from recent years will persist and potentially accelerate.

The impact on rents is less clear. Even though there's an oversupply of property generally, demand for quality, prime real estate is increasing, as is the case in the UK, creating scarcity in this sector. This could represent an investment opportunity.

3 France

A study conducted by market research firm Ifop for the French think tank Foundation Jean-Jaurès has revealed that only 29% of French workers work remotely 'at least once a week', compared with 51% for Germany and 42% for the UK.

Furthermore, even French workers who work remotely seem to do so less frequently than their European counterparts. For instance, in Italy, 30% of workers telework for four to five days per week and 17% for two to three days, whereas in France, the corresponding figures are 11% and 14%, respectively.

'French people are often hesitant to change,' explains Sonia Levillain, author of the Little Toolbox of Remote Management and a professor at the IÉSEG School of Management in Lille. 'This is a stereotype, but it's also a reality.'

Although hybrid work has gained momentum in France since workers began returning to the office in June 2022, many companies are now embracing a flex office approach with hot desking. However, Levillain says that 'employees are very sceptical of it. They


French business has a 'top-down' approach

were attracted to the physical office – where they were working – because it was a sign of identity and belonging to the organisation'.

The reluctance to work remotely may also be linked to how the French workplace has traditionally operated, with managers feeling a strong need to control their employees. Explains Levillain: 'Historically, the management practices were not developed around trust and autonomy, but more of a top-down approach.'

In addition, social interactions play a critical role in decision-making in the French office. As these interactions have traditionally occurred informally, it has been challenging to replicate them on a computer screen.


Remote working is in decline in Spain

4 Spain

In Spain, remote working has declined significantly since the pandemic. Even at its height in Q2 2020, only 16% of workers were working remotely. That figure is down to 7% at the end of Q2 2022, according to research from employment agency Randstad Spain.

In addition, Randstad has highlighted that 41.5% of homes in Spain are deemed 'unsuitable for teleworking'. According to the study, suitable housing for teleworking includes enough space, such as an office or a room not used as a bedroom.

As in France, we don't believe the return to work phenomenon will have more than a marginal impact on CRE values. There may be local differences. For example, Madrid has a higher rate of remote workers (12.5%) slowly returning to the workplace. But we don't think this in itself will move the needle in terms of office rental costs. Macroeconomic factors and local conditions are far more likely to affect these. ■

CK Asset clinches takeover of UK social housing REIT

Hong Kong's CK Asset Holdings has agreed a deal to buy London-listed REIT Civitas Social Housing for £485 mln (€557 mln) in cash as it continues to expand its UK real estate portfolio.

The acquisition is being carried out through CK Asset's wholly owned subsidiary Wellness United Limited, which will pay 80p per share for the social housing provider, which owns 697 properties in the UK. The purchase price represents a premium of over 44% to Civitas' share price prior to the takeover bid announcement. Civitas shares have fallen from a peak of 120 pence in August 2021.

Civitas' board of directors was quick to back the takeover bid in early May, despite acknowledging that the offer undervalued the company. 'Whilst the Civitas board believes that the offer undervalues the long-term prospects of Civitas as expressed by net asset value, we also recognise that Civitas, and its sector as a whole, faces a number of challenges in sentiment which the public markets are unlikely to overcome in the short to medium term,' said Michael Wrobel, non-executive chairman of Civitas.

CK Asset said it regarded Civitas as one of the leading social housing providers in the UK, whose social impact and earnings profile represent a 'strategic fit' with its investment criteria. The Chinese group is also a major shareholder in Civitas Investment Management, the investment advisor to Civitas Social Housing.

'Underpinned by steady income and stable returns, Civitas Social Housing PLC fits well within our investment criteria and adds to our global real estate portfolio,' said Chiu Yue-seng, head of special projects at CK Asset.

The Hong Kong firm, owned by billionaire Li Ka-shing, is no stranger to big-ticket UK real estate deals. Among its largest purchases to date has been 5 Broadgate in London for €1.1 bn in 2018, which it sold last March for €1.4 bn to Korea's NPS.

Civitas property

FROM OUR DAILY NEWSLETTER

Starlight launches European resi platform

Toronto-based Starlight Investments has launched a European residential asset management platform with multiple global institutional partners. It will initially focus on the UK's BTR market, and has already acquired three BTR assets with 922 suites in Manchester, Liverpool and Ashford for £225 mln (€257 mln).

Savills IM adds €100m portfolio in Sweden

Savills Investment Management has acquired six fully let residential assets in Sweden for €100 mln from listed developer K2A Knaust & Andersson Fastigheter AB in an off-market deal. The buildings are located in the university cities Uppsala, Västerås and Gävle in Sweden, and have a strong ESG profile.

CBRE IM snaps up newly built German apartments

CBRE Investment Management has purchased a portfolio of five multi-family assets with 1,350 apartments in Germany for €560 mln. The vendor is listed group Vonovia. Two of the five properties are located in Berlin, two in Munich, and one in Frankfurt. All the assets are newly built or in the final stage of construction.

Apollo swoops on €1b stake in Vonovia portfolio

German giant Vonovia has sold an almost 30% stake in its Südewo portfolio to Apollo for €1 bn. The transaction values the portfolio at €3.3 bn on a debt-free and cash-free basis. Vonovia will continue to control and operate 21,000 residential units located across the southwestern state of Baden-Württemberg.

Read more on www.propertyeu.info

Apartment block built by Daiwa in Amsterdam to house a mix of refugees, students and first-time homebuyers
PHOTO: COJAN VAN TOOR FOTOGRAFIE

Faster, cheaper and greener – has modular's moment come?

Armed with sophisticated techniques, modular housebuilders are scaling up to meet the massive demand for homes across Europe

BY **MARIANNE KORTEWEG**

The delivery, in just 12 days, of two field hospitals providing 2,600 beds in Wuhan, China, not long after the coronavirus outbreak in February 2020, exemplified one of the key benefits of modular construction: speed. In the months that followed, the technique would be used by many other countries to help strained healthcare systems deal with the pandemic.

Modular or prefabricated building methods – whereby standardised units are manufactured in a factory-controlled environment for assembly onsite – are not new, and have been used for years across the 'beds' sector, from family homes and student housing to micro apartments, senior living, healthcare facilities, and hotels.

But against a backdrop of construction cost inflation, growing labour shortages, a deepening refugee crisis and increasingly stricter ESG requirements, they are gaining fresh attention as a solution to Europe's chronic housing shortage, both for temporary and permanent residence.

Leading players in the sector claim modular construction – also referred to as modern methods of construction (MMC) or 'smart' construction – is faster, cheaper and greener than traditional methods, and has a significant role to play in reshaping the way we build in the future.

'Given the shortage of skilled labour, tightening sustainability requirements and the steadily increasing construction costs, the building sector urgently needs innovative approaches,' says Harry van Zandwijk, CEO of Daiwa House Modular Europe.

The Dutch-based firm, which forms part of Japanese modular giant Daiwa House Group, specialises in 'digitised modular construction on an industrial scale' and has already completed numerous residential projects in the Netherlands. This year alone, it plans to deliver 3,500 modular homes for the Dutch market and the company is in the process of expanding its operations to Germany and the UK.

EFFICIENCY AND CARBON GAINS

By using fully prefabricated building modules, which only need to be put together on the building site, Daiwa says construction time can be cut by up to 50%, and costs significantly reduced. In addition, 85% of building materials can be recycled, leading


VBC's manufacturing centre in Europe


Daiwa project in Groningen, the Netherlands
PHOTO: COJAN VAN TOOR FOTOGRAFIE

to lower carbon emissions and less waste.

Says Van Zandwijk: 'Thanks to our circular approach to construction, the individual modules can be easily dismantled at the end of the utilisation phase and reused for new construction projects. In addition to saving time, this method halves the amount of CO_2 emissions.'

In the UK, modular manufacturer TopHat's homes are made using 3D printed bricks which, it argues, are far lighter and have a much lower carbon intensity than conventional ones and can be installed very quickly in the factory. 'The buildings created in our controlled factory environment use different materials and are far lighter than a traditional building. Therefore they also require less concrete in the ground,' says Andrew Shephard, managing director of the firm which is planning to open what it says will be Europe's largest modular housing factory in Corby, Northamptonshire, next year (*see article p30*).

In Germany, Daiwa has formed a partnership with investment, asset and fund manager Capital Bay, under which prefab modules will be manufactured and marketed for all types of residential format, from student housing and micro-living to serviced apartments, senior living and care facilities.

The JV is currently developing a 'gigafactory' in Fürstenwalde, around 50 km east of Berlin, where large-scale production is expected to come onstream next year. 'The first project is for 1,500 apartments in Berlin,' says Daiwa's head of marketing Michiel Gieben, adding that German housing corporations are 'already knocking on our door'.

He notes there is strong political support for modular construction in Germany, where housing minister Klara Geywitz recently called for an expansion of serial and modular building to help meet the government target of 400,000 new homes per year. The German housing shortage is at its highest level in 20 years, according to the German Property Federation (ZIA), with new residential construction anticipated to decline even further next year due to rising financing costs and price hikes for building materials.

> 'Given the shortage of skilled labour, tightening sustainability requirements and steadily increasing construction costs, the building sector urgently needs innovative approaches'
>
> **Harry van Zandwijk, Daiwa**

George Salden, CEO of Capital Bay, hails modular building as 'the construction method of the future', suitable for all types of residential property. 'But there is also significant demand in the healthcare industry,' he says. 'The advantage of modular construction lies on the one hand, in the possibility of serial production and, on the other hand, in its circularity. Automated and digitised production permits economies of scale, saving time and money in the process.'

In the UK, where Daiwa is still in an 'exploratory phase', the government has set up an 'MMC taskforce' to accelerate the delivery of offsite homes, working closely with housing associations and local authorities.

'The demand is clearly there,' says Gieben. 'It's a question of building up our capacity in the next 1-1.5 years so we can start producing at scale from there.' Overall, the UK government is targeting 300,000 new homes a year to address the country's housing deficit.

Daiwa and TopHat are not alone in seeking to tap the growth potential of supply-strapped markets in Europe. Other companies active

Modern Methods of Construction

Modern Methods of Construction (MMC) is a broad term covering a range of offsite manufacturing and onsite techniques that provide alternatives to traditional construction. Techniques include timber and steel frames, wall panels, volumetric modules or lean construction. In the UK, the government has set up a taskforce to encourage increased use of MMC. To this end, it has drawn up an 'MMC definition framework' with seven categories, spanning all types of pre-manufacturing, site-based materials and process innovation. 'Pre-manufacturing' encompasses all processes executed away from the final workface, including in remote factories, near site or on-site 'pop up' factories.

in the space include Ilke Homes and US firm VBC, which is likewise muscling into the UK market *(see article p28)*. Bucking the trend is Legal & General, which recently announced it was shuttering its modular business due to pipeline issues *(see panel)*.

In terms of markets, Sweden has the highest MMC penetration rate in Europe – and indeed is said to be the world leader in prefabricated building. In 2020, Savills reported that around 45% of all new homes in Sweden use offsite construction. For single-family homes, it is close to 80%.

ADVANCES IN TECHNOLOGY

Thanks to advances in automation and dig-

> ‘The advantage of modular construction lies on the one hand, in the possibility of serial production and, on the other hand, in its circularity’
>
> **George Salden, Capital Bay**

itisation, modular building has come a long way since the ‘container-like’ structures fabricated a few decades ago. Processes have been streamlined, techniques improved and materials refined, resulting in buildings that are virtually indistinguishable from their traditional counterparts – both in terms of structure and design.

Factory-based production means quality control can be carried out early on in the manufacturing process, enabling precision engineering on individual components and leading to fewer defects. As modular structures are built with the same materials and according to the same architectural specifications as traditional builds, they offer the same look and finish.

Daiwa, for example, uses a ‘hybrid’ technique combining concrete (for the floor), steel (frame) and timber (walls and ceiling). It says its approach goes ‘beyond prefab construction’, as entire residential modules – complete with sanitary facilities that are pre-installed before they leave the production site – are combined onsite to create an apartment complex. By customising the outer shell of buildings, ‘unique’ projects can be delivered.

PLANNING CHALLENGES

Among the challenges of operating across different markets for modular builders is complying with different national legislation and building specifications. Another is lengthy planning procedures and dealing with local authorities. In the Netherlands, for example, many of the 2,000 temporary homes commissioned by the housing ministry last year to help ease shortages have not been placed because housing corporations and town councils fear that doing so will meet with public resistance and nimbyism. Around 800 flexible homes were reportedly still awaiting placement in early May, including ones built by Daiwa.

In the UK, Legal & General cited long planning delays as a factor behind its decision to discontinue its modular housing activities, warning that the system needed to be speeded up and modernised ‘to ensure we can deliver the number of homes the UK needs’.

TopHat’s Shepherd equally highlights planning as a perquisite for maintaining continuity of operations. ‘You need certainty about planning permission and that is something that is not happening at the moment.’ ■

Legal & General quits modular housing

Insurance giant Legal & General announced in early May that it was shuttering its UK modular housing business, launched seven years ago, after running up cumulative losses over the period of £176 mln (€202 mln).

The firm said it would cease all new production at its flagship modular factory in Selby, West Yorkshire, one of the biggest in the UK where it had targeted the production of 3,000 homes a year.

L&G Capital, the L&G subsidiary which owns the business, cited planning delays and macro events such as Covid as the main reasons behind the decision. These had meant that L&G Modular Homes had ‘not been able to secure the necessary scale of pipeline to make the current model work’, it said in a statement.

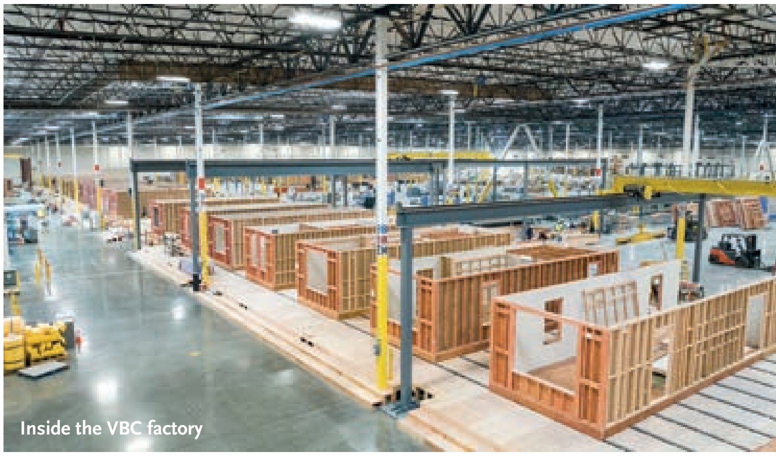
‘As a start-up business with a significant fixed cost base, a strong and predictable site pipeline is imperative to make L&G Modular Homes a successful sustainable business...Without this pipeline, it has not proved possible to build a business that can sustain the significant running costs of the large factory in Selby.’

L&G said it was ‘reviewing potential strategic options for the business’, into which it had injected close to £182 mln by end-2021. These include a sale, merger, fundraising from third parties or eventual closure. The majority of the 475-strong workforce is to be made redundant.

A spokesperson for the company said L&G ‘remained passionate about modular as a solution to the housing crisis’, but noted: ‘Across the housing industry more broadly, speed and modernisation of the UK’s planning system need to be a top priority to ensure we can deliver the number of homes the UK needs.’

Over the last three years, L&G has delivered 15,000 homes to the UK housing sector across its other housing subsidiary businesses Cala Homes (build-to-sell housing), L&G Affordable Homes (shared ownership and social housing), suburban and urban (SFL and MFH) build-to-rent businesses and Inspired Villages (later living).


Modular construction speeds up on-site times


Inside the VBC factory

US modular housebuilder muscles into Europe's living sector

After acquiring Polish modular construction company Polcom, US firm VBC is looking to expand 'aggressively' across the UK and continental Europe

BY **VIRNA ASARA**

Volumetric Building Companies (VBC), a global modular building specialist headquartered in Philadelphia, Pennsylvania, has just secured its first contract in Germany – the offsite construction of a 500-bed hotel for the Tropical Islands resort near Berlin – and is confident it will be getting many more in the near future.
'This is one of a number of projects that we have identified,' says Andy Smith, who was appointed 12 months ago to lead the US group's business expansion in the UK. 'The pipeline in the UK is growing to a healthy level and we are seeing strong interest in VBC's building solutions in mainland Europe as well. We are primarily targeting the UK and Germany but we also have a couple of early-stage projects in Italy, in the hospitality sector.'
The company, which is backed by Pimco, a $2 trn investment management business, entered the UK early last year, shortly after taking over Polcom, a Polish modular construction company which owns three factories in Poland. The deal allowed VBC to combine the experience in timber modular solutions in the US with Polcom's steel-framed modular systems which are well suited to mid and high-rise buildings and have been used by clients such as citizenM, Marriott, Hilton, Intercontinental Hotels, and Whitbread.
VBC currently has 30 staff in the UK and has already delivered a number of projects including the 226-room citizenM hotel at London Victoria Station. The firm, which is led by founder and shareholder Vaughan Buckley, delivers the projects fully finished and completely fitted out. 'Given the huge potential for offsite solutions in the UK and across Europe, we anticipate that pipeline may well generate a need for us to increase manufacturing capacity in addition to our already extensive modular manufacturing facilities in mainland Europe,' adds Smith.
The firm's primary objective at the moment is to utilise the factories in Poland to better serve the UK market and expand the business into new segments, Smith explains. 'While our pipeline has historically been hotels, we now have projects in design for built-to-rent and student accommodation.'
In particular residential – both build-to-rent and affordable housing – is one of the fastest growing segments of the offsite sector, driven by the high cost of private rental in the UK, the shortfall in supply of skilled labour,


VBC's offsite manufacturing centre


Hotel project for the Tropical Islands resort near Berlin

‘We are facing housing shortages across the globe and the only way to solve these problems is to change how we’re building’

Andy Smith, VBC

the lack of affordable housing, as well as changing demographics, comments Smith. ‘We have ambitious expansion plans in this sector particularly in the UK, where the government is supporting Modern Methods of Construction (MMC),’ he adds. ‘We are constantly evaluating options to support country-specific requirements including those leading towards net zero solutions.’ Smith claims the group is the fastest growing modular construction business in the world, with plans to reach a $1 bn business by 2028.

HOW MODULAR WORKS

Modular construction – whereby a building is constructed offsite in controlled factory conditions – is an equity-intensive business, yet production is very efficient due to a standardisation of processes. The buildings are manufactured and fitted out as modules in technologically-advanced factories. The modules are then transported and craned into position onsite in a matter of days.

Compared to traditional in-situ construction, modular building methods require developers to design for offsite at the outset, which involves specifying technical details including plumbing, for example, at an earlier stage in the process. Because the building is manufactured at the same time as ground works progress onsite, taking an offsite approach significantly reduces building time for a faster return on investment. Being radically faster than traditional construction, this approach is an effective solution to tackling the housing crisis in the UK, notes Smith.

‘We are facing housing shortages across the globe and the only way to solve these problems is to change how we’re building,’ he says. ‘We are bringing solutions to the UK and European markets that have been proven to reduce build time by up to 50% - leading to more supply and helping to ease demand and drive down housing costs.’

While the UK needs over 300,000 new homes to be built every year, there is still a shortfall of 90,000 homes, Smith adds. ‘There is a critical need to increase the housing stock in high-density urban areas and to radically improve the productivity of UK construction. Modular construction can accelerate delivery of residential units to meet this demand.’ ■

A steel-framed modular prototype for Marriott

A modular citizenM hotel in London

Ilke Homes eyes growth with senior hire

UK modular house builder Ilke Homes has appointed former Deliveroo executive David Scott as chief operating officer (COO) to drive the company’s growth following a £100 mln (€114 mln) fundraising round last December.

He will be responsible for driving the business towards achieving a profit as it looks to ramp up its annual output to 4,000 homes a year. This will include achieving economies of scale across Ilke’s manufacturing cycle, which will bring down the costs of creating a home.

During his time as operations director at Deliveroo, Scott was responsible for scaling up operations and driving efficiencies. He also previously worked for supermarket group Tesco.

The £100 mln investment in Ilke, led by US investor Fortress, will allow the housebuilder to invest heavily in automating more of its manufacturing processes to further drive productivity. Ilke is working with some of the UK’s biggest developers and investors, including global asset manager Man Group, listed house builder Vistry Group, and housing association Places for People.

Said Scott: ‘Modular housing is a tremendously exciting sector to be in right now, and Ilke Homes’ leading position makes my role all the more compelling. House building, and the techniques used to build homes, has remained unchanged for much of the last century. Ilke Homes is pioneering a solution that will not only bring much needed additionality to the sector, but also ensure that our housing stock is fit for a net-zero future.’

Planning delays 'biggest hurdle' for modular building

Modular housing manufacturer TopHat says predictable and continuous order flows are vital as it prepares to scale up production with a massive new factory

BY **VIRNA ASARA**

'With the housing crisis we are experiencing, it is clear that what we have been doing for the past 20 years is not the solution,' says Andrew Shepherd, managing director at modular housing builder TopHat. 'We think modular housing construction is.'

Shepherd's interview with PropertyEU takes place only a couple of weeks after TopHat announced it had secured £70 mln (€80 mln) from new shareholders, FTSE-100 house builder Persimmon and institutional investor Aviva, through its Aviva Capital Partners unit, as well as from existing shareholder Goldman Sachs Asset Management.

TopHat's new factory in Corby aims to build 4,000 homes a year

MAJOR NEW PLANT

The new funding round will help finance the opening of Europe's largest modular housing factory next year. The new 650,000 ft² (60,300 m²) TopHat facility in Corby, Northamptonshire, is expected to support the manufacturing of up to 4,000 ultra low-carbon homes a year and is planned to begin production in 2024. The company already has a factory in Derby capable of turning out 800 homes per annum. 'The new factory will represent an improvement in the production process and an increase in automation. It will help address the country's chronic housing shortage which is exacerbated by a diminishing construction workforce and increasing population,' comments Shepherd. 'We need to be more productive. We also need to make more sustainable homes, which is something that requires a different mentality.'

Shepherd claims modular housing development is more sustainable than traditional construction. This so-called modern method of construction (MMC) reduces waste drastically compared to the average construction site, it results in less travel time and it is said to involve far less embodied carbon than traditional construction, he notes. 'The buildings created in our controlled factory environment use different materials and are far lighter than a traditional building. Therefore they also require less concrete in the ground.'

> 'One of the key challenges is keeping continuity in the factory, where it is important that you get to scale very quickly'
>
> **Andrew Shephard, MD TopHat**

3D PRINTED BRICKS

TopHat's houses are made with a so-called smart 3D printed brick which, the producer argues, is far lighter than a normal brick, has a much lower carbon intensity and can be installed very quickly in the factory. 'This is a brilliant product and is one of the innovative elements that were compelling for our new investors,' Shepherd explains. 'We are also looking at robotics for our new factory. This means that while we are still going to need 1,000 people in our new manufacturing site, the productivity and output will be much higher because of process automation.'

A continuous order flow is, however, required for the business to be cost-effective, which is something hampered by long planning delays. 'Our number one hurdle is planning at the moment,' says Shepherd. 'One of the key challenges is keeping continuity in the factory, where it is important that you get to scale very quickly.'

The firm has a varied customer base, ranging from housing associations and local authorities to institutional investors and social impact funds, as well as property developers. Says Shepherd: 'You need certainty about planning permission and that is something that is not happening at the moment.'

Long planning delays were also one of the main reasons cited by Legal & General for its decision in early May to quit modular housing production. The insurer said the business had a 'significant fixed cost base' and needed a strong and predictable site pipeline to make it viable.

Profitability has so far also proved difficult for TopHat. The firm's main shareholder Goldman Sachs has pumped £140 mln into the business since taking a stake in 2019, but it has yet to make a profit. TopHat recorded a £5 mln loss in 2021 and a further £19.4 mln loss last year. It expects to be profit-making by 2025.

'It is disappointing to see what happened to L&G from an industry perspective,' TopHat's Shepherd says, commenting on the L&G move. 'We want the industry to be thriving, but there are different business models and approaches to it. We are very focused on our three different customer areas – housing associations, institutional investors and property developers. We are committed to our new factory and we are reinvesting in the business – we just need to push through.' ■

True North finds direction in co-living

The new co-living outfit has pan-European ambitions, but is starting out with sites in London, says founder Jill Ju

BY **ISOBEL LEE**

'There have been many macro shifts in how we live and work in recent years, but one constant is the need for a roof over our heads,' says Jill Ju, CEO and founder of True North Management, a recently launched residential company, as she reflects on current investor interest in the living segment. 'Real estate provides spaces for people, and use cases change over time. But everyone needs a home to be restful and flourish in their own way.'

Ju created True North in 2021, drawing on her many years of experience in the living sector. Formerly investment director at Greystar and chief investment officer at The Collective, she has a significant track record in creating assets, brands and investment vehicles across PBSA, BTR and co-living sectors.

'It's about transforming typical ways of living and offering something better suited to today's needs'

Jill Ju, True North

INDIVIDUAL AND COMMUNAL

'I've had the chance to contribute to the evolution of living asset types during my career, across PBSA, BTR and co-living. This has inspired me to explore how different projects can positively impact users' lives and make a real difference in our society,' she notes.

Ju settled on a co-living concept for the launch of her own business, an accommodation type she sees as having broad potential. 'There is an ongoing discussion about what co-living actually is. We don't narrowly define it, but regard it as an asset type where people can have a private space in which to live, but also access to a range of amenities and communal spaces where they can fulfil needs as diverse as cooking a nice meal, working, or hanging out with friends. It's about transforming typical ways of living and offering something new and better suited to today's customer needs. We've seen changing appetite from young people around the challenges of putting together a flat share, and even couples now want more access to a community. There's also a sense that cities can be quite lonely places in which to live.'

The business is backed by FEOS, led by real estate veteran Ingo Holz, co-founder of industrial asset and investment management company BEOS, whom Ju met at MIPIM five years ago. 'Dr Holz has been an invaluable asset to True North, providing both professional expertise and financial support,' Ju notes. The team is also advised by Marcus Hale, former pan-European development director at Patrizia.

Holm Wimbledon Park

DEBUT LONDON ASSET

True North recently launched its first London asset, Holm Wimbledon Park, which features 86 studios and communal spaces. Amenities include lounges, chef's kitchens, a private dining room, co-working spaces, a communal garden and a community events calendar. 'We've already set up the residents' association and a gardening club, planted a wildflower meadow and created bug hotels,' Ju enthuses. The asset is named after a mature Holm oak tree which stands in its grounds. 'It's quiet and peaceful and doesn't feel like the city, even though it's only a five-minute walk from the tube.'

The business is now planning to deliver 1,500 units in London over the next three years, through a mix of forward purchases and its own development programme. 'We're prepared to adapt and grow in a changing landscape. London is our starting point as we know the value of having a clear focus,' she says. 'We are actively working on different sites around the capital, some of which are similar in scope to Holm, and some of which are even more ambitious.

'Eventually we would like to grow across Europe, and due to our contacts and previous experience Germany would be the next natural market. Our investor base is there. However, there are lots of other places that could be interesting, like Dublin, due to its supply-demand imbalance. We're ready to evaluate any European city that crosses our radar. But for now, we're excited about the potential for co-living in London and can't wait to see where this journey takes us.' ■

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Investors still on the sidelines as market uncertainty persists

After a slump in Q1 transactions, buyers and sellers are still looking for direction amid signs that interest rates in Europe are set to rise further in the short term

BY **TOM LEAHY,** HEAD OF EMEA REAL ESTATE RESEARCH, MSCI

European property transaction volumes in Q1 2023 were at an 11-year low. The rapid end of the low-rate cycle has had a chilling effect on deal flow as price discovery becomes much more difficult and buyers and sellers wait for a more certain outlook before committing to the market. Some of the ructions in the debt markets caused by the collapse of several well-known banking institutions, albeit concentrated in the US, also provide an extra hurdle for investors to clear before they move back into the market with confidence.

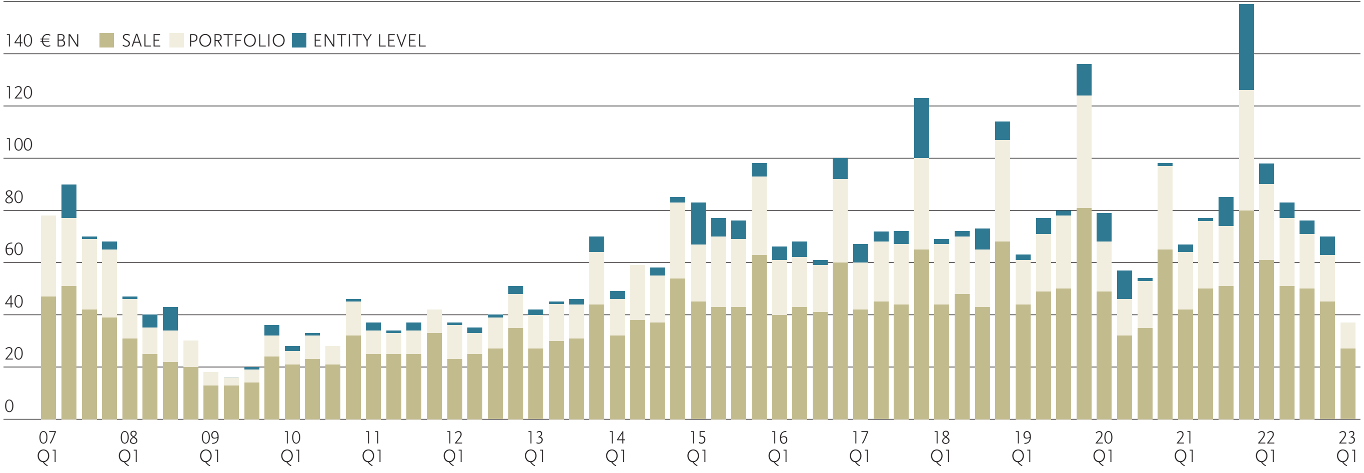
After a period of such tumult it is no wonder that European property investment volumes have fallen quite as sharply as they have. The slowdown in dealmaking is on a par with that recorded during the onset of the Global Financial Crisis (GFC). Q1 transaction volumes were down 62% in comparison with the same period 12 months ago and the quarterly total of €37.4 bn is the

> 'For property, the question may not be how high interest rates go in 2023, but where they will settle in the medium-to-long term'
>
> **Tom Leahy**

lowest since Q3 2012. The changes are also reflected in MSCI's valuation-based datasets. The MSCI European Quarterly Property Index posted its worst-ever quarterly return at the end of 2022, with all property total returns at -6.7%, below the -6.4% recorded in December 2008. The negative outturn was driven by a fall in capital values, with yields having to adjust outwards

European Quarterly Property Transaction Volumes

SOURCE: MSCI REAL ASSETS



because of the pressure exerted by rising rates and a higher cost of capital.

OFFICE TRENDS SINK TO ALL-TIME LOW

The uncertainty in the capital markets is augmented by structural changes in the built environment, particularly the role of offices post-pandemic. The sector is having to adapt to two distinct but complementary trends: the post-Covid shift to hybrid working, which now seems likely to structurally reduce the amount of office space; and the drive to decarbonise property portfolios, as many occupiers and owners push towards their stated carbon reduction and net-zero targets. Therefore, a consensus view is emerging that occupiers will want less space, but that space will be better quality to attract workers into the office and to drive energy efficiency.

This hypothesis is having a tangible effect on the investment market as fewer offices traded in the first quarter than in any other quarter in history (MSCI's European deal data starts in January 2007). Office buyers are focusing on quality and future-proofing their portfolios, which means a narrower slice of the market is trading.

Despite the sharp slowdown in transactions, the average price paid per square metre for European offices actually doubled in Q1'23 versus Q4'22. The reason for this? Those assets that do trade are better quality than the average and naturally will sell at higher prices. Supporting this, the data shows 58% of all European office trades by volume in Q1 were in London and Paris, Europe's two most liquid property markets.

> 'Despite a sharp slowdown in transactions, those assets that do trade are better quality than the average and sell at higher prices'

Data from MSCI's Capital Liquidity Scores shows that during the GFC markets like London and Paris maintained liquidity better than anywhere else in Europe, and it looks like the same trend is repeating itself. Buyers gravitate towards larger, more liquid property markets at times of distress. This data also reveals a substantial gap between the sale price of office buildings in London and Paris that have energy efficiency ratings from the likes of BREEAM, LEED and HQE and those that do not. It is true these buildings are likely to be newer and therefore command higher prices and the hedonic analysis does control for some of these qualitative factors, but the growing gap illustrates the divide between the 'haves' and the 'have-nots' in the office market.

It should be noted, though, that these buildings still make up a minority of CBD and suburban office trades across Europe and plenty of buildings are selling without adhering to these criteria. Some of these will likely be refurbished and brought up to market standard, but others may face the growing risk of obsolescence, which has already led to a large loss of value in parts of the retail sector.

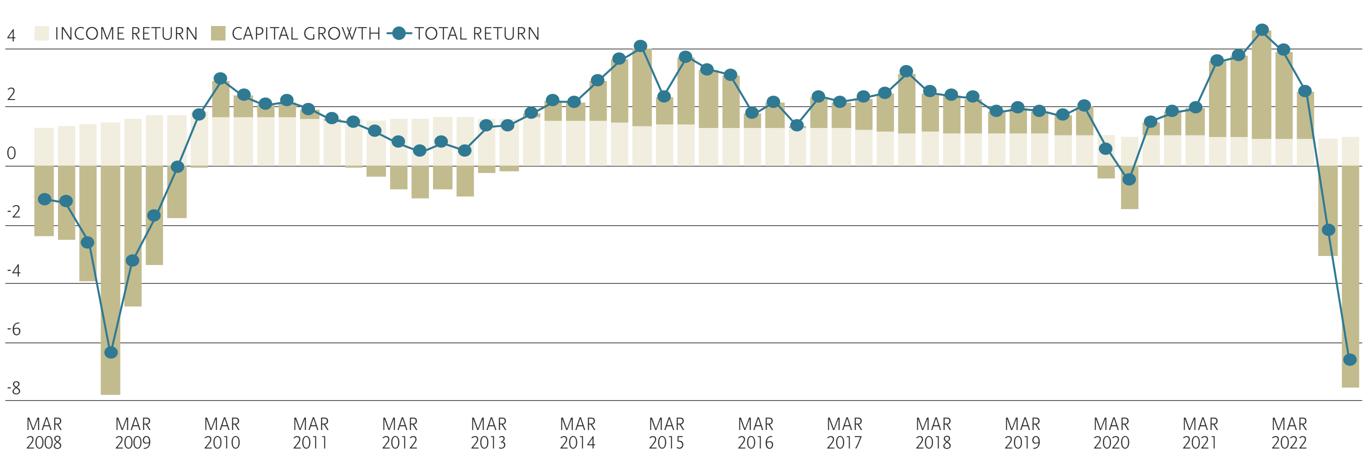
CAPITAL FLOWS SLOW DOWN

A feature of this period of dislocation is the sharp slowdown in acquisitions by non-European headquartered buyers. This is particularly true of US-based players: Q1 acquisitions by US-based equity funds were down 68% YOY, and from US-based investment managers they were down 84% YOY. These players tend to be oriented towards the value-add and opportunistic end of the risk spectrum and may be waiting for such openings to arise before recommitting to the market (see section below on distress).

Notably, the first quarter saw an increase in Asian-headquartered capital moving into London offices, mirroring the trend seen during other periods of uncertainty

MSCI European Quarterly Property Index, Quarterly Total Returns

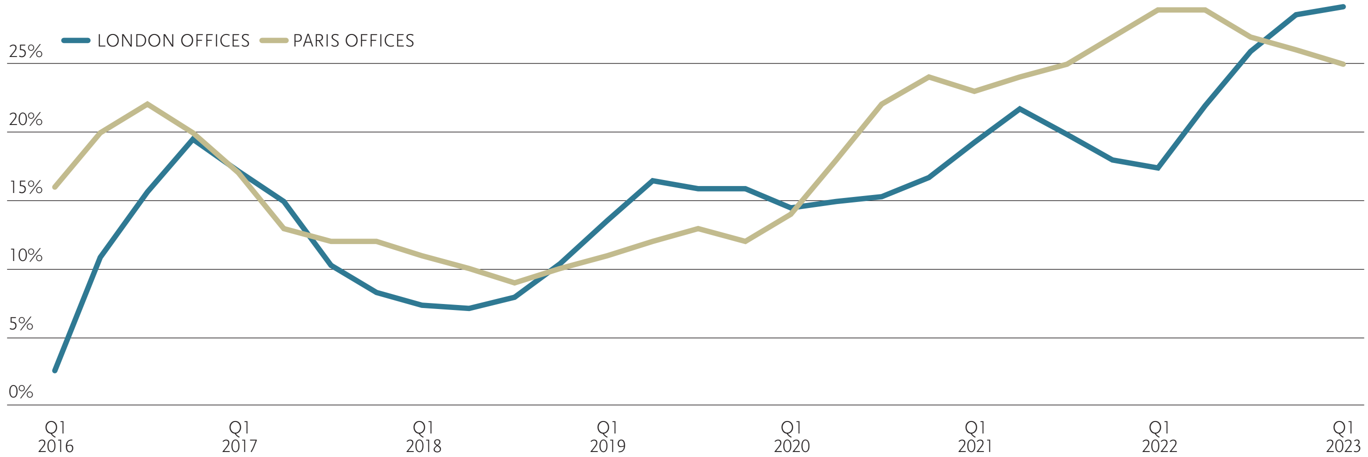
SOURCE: MSCI REAL ASSETS



Modelled Sale Price Gap

OFFICES WITH ENVIRONMENTAL RATING VS. OFFICES WITHOUT ENVIRONMENTAL RATING

SOURCE: MSCI REAL ASSETS



such as in 2016 and 2017 post the UK's vote to leave the EU. Q1's largest purchase was CDL's purchase of the St Katharine Docks portfolio from Blackstone for £395 mln (€447.6 mln). CDL stated in its press release that the market uncertainty was an incentive to make its first London acquisition since 2018.

Other deals involving Asian buyers have since completed, including Mitsui Fudosan's purchase of the Sancroft St Pauls building from troubled Chinese developer Shimao Group for €359 mln (£315 mln). Japan-based Mitsui bought the recently refurbished building in a joint venture agreement with UK developer, Greycoat. Greycoat had previously put the building under offer in another JV with Goldman Sachs, but the US bank pulled out of the deal in January. The May 2023 sale price represents a 15% discount on a price of £370 mln reportedly agreed by Goldman Sachs and Greycoat in July 2022, which illustrates how the transaction market has shifted in the intervening time.

DISTRESSED SALES STILL RARE

One of the shorter-term consequences of rising interest rates and the rapid correction in asset prices is the possibility of a spike in distressed sales. As yet, the data shows distressed sales remain comparatively rare, with such deals equating to just 0.5% of all Q1 acquisitions.

'Distressed sales remain comparatively rare, with such deals equating to just 0.5% of all Q1 acquisitions'

However, some assets have come to market through a pseudo-distress process: for example, shopping centre owner Unibail-Rodamco-Westfield is under pressure to reduce net debt levels and has disposed of €3.3 bn worth of assets since the start of 2022. While the share prices of a number of Swedish listed property investors are down substantially over this same period because of their indebtedness and exposure to floating rate, short-duration debt. As such, a number of these Swedish players are looking to sell assets to pay down their debt: Corem sold a 47-property portfolio of industrial assets to Blackstone in April and another 17-property industrial portfolio to NREP in February. SBB, meanwhile, has sold a 49% share in a portfolio of educational properties across the Nordic region to Brookfield for close to €2 bn.

For non-listed owners, any pain is most likely to be felt in the retail sector as values were already on the slide prior to the current period of dislocation. However, for other asset classes and especially industrial, where rising yields have caused a sharp correction in capital values, a healthy occupier market is a major bonus. City-level data from MSCI's European Quarterly Property Index shows industrial rents were still growing at the end of Q4 across every city covered by the index. This, plus the correction in asset prices, could tempt buyers back into the sector and limit scope for distress despite the upheaval in capital markets.

OUTLOOK: WHERE WILL RATES SETTLE?

Eurozone inflation may have peaked in November 2022, but the April outturn of 7.0% was slightly above March's 6.9% and this, plus a strong labour market and hawkish noises from the European Central Bank, means interest rates are likely to keep rising in the short term.

But for property, the question may not be how high rates go in 2023, but where they will settle in the medium-to-long term, which will dictate the shape of market activity through the next cycle.

Property was a major beneficiary of the low rate, low return environment, attracting huge volumes of capital as investors searched for real returns: in effect acting as a bond substitute. But interest rates and bond yields will likely settle at higher rates than during the last cycle and this means property may have to serve a different purpose when considered in a multi-asset context. ■

Top 100 dealmakers in Europe ranking

Despite a bumpy ride in the second half of 2022 and sharply lower investment volumes for the full year, big deals still took place – and retail was a bright spot

BY **GORDON DARROCH**

It's no exaggeration to say that 2022 was a year of two halves in the commercial real estate market. The post-pandemic recovery dominated the first quarter, when CBRE recorded €80 bn of transactions across Europe, the second-strongest start to the year ever after 2020.

But the storm clouds that were gathering on the horizon burst open as the war in Ukraine had a seismic effect on global economies. By the fourth quarter the optimism that ushered in the year had well and truly vanished: investment volumes dropped by 58% in the last three months and 18% across the whole year, with the rising cost of borrowing sending transactions and asset prices into reverse.

Data from PropertyEU's survey of Top 100 Dealmakers suggests the decline was even sharper at the top end of the market: the total transaction volume for the investors in our ranking was down by 27.6%, from €358 bn to €259 bn. This is in line with CBRE's finding that the decline was steepest for buildings in the €20 mln-plus bracket, as these assets tend to be more dependent on external financing. Financiers have understandably become more cautious since the European Central Bank raised interest rates from zero to 3.5% in less than a year, with at least one more increase expected this summer.

Cross-border investment within Europe was hit especially hard, dropping by 36%, according to Savills, but not all markets fared equally badly: Ireland, for example, almost matched 2021's investment volume last year, with Brookfield's takeover of office landlord Hibernia REIT for €1.1 bn and Blackstone's purchase of Salesforce's new European HQ in Dublin for €500 mln the standout purchases in a total turnover of more than €5.5 bn.

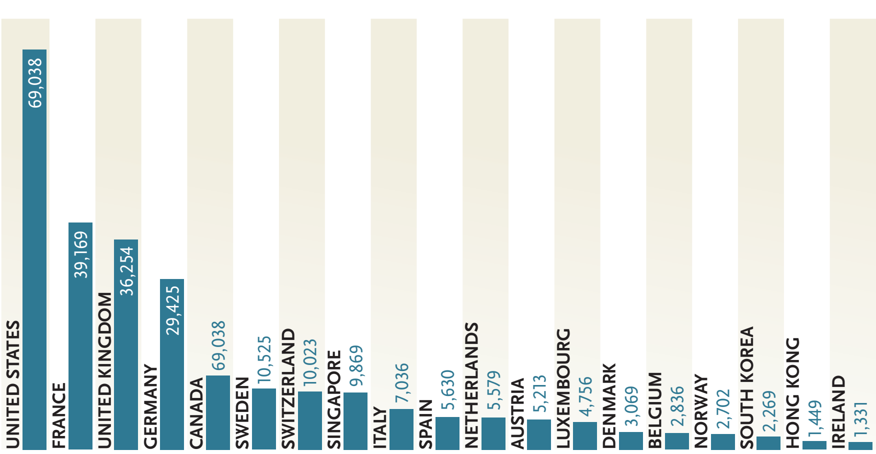
NORTH AMERICAN & ASIAN INVESTORS

American and Canadian investors occupy three of the top four spots in our ranking, as well as seven of the top 20 positions and nine out of 20 on the acquisitions side. The strength of the US dollar over the summer was an incentive for US and Canadian investors to spend a total of €48 bn in European markets in 2022, 31% ahead of the five-year average.

Top of the pile was Blackstone, which reinforced its commitment to the region by announcing plans for a new purpose-built European headquarters in London. Blackstone

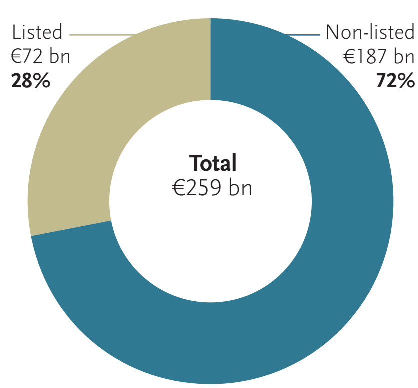
Top investors by country of origin

SUM OF TRANSACTIONS (€ MLN)



Listed versus non-listed

NON-LISTED PROPERTY GROUPS ACCOUNTED FOR 72% OF DEALS



Top 5 dealmakers

		TOTAL (€ MLN)
1	Blackstone Group	21,175
2	AXA IM Alts	9,320
3	Brookfield AM	7,986
4	LaSalle IM	7,864
5	Swiss Life AM	7,500

Top 5 buyers

		ACQUISITIONS (€ MLN)
1	Blackstone Group	14,175
2	GIC	6,907
3	Greystar RE	5,587
4	AXA IM Alts	5,424
5	Brookfield AM	4,346

Top 5 sellers

		DISPOSALS (€ MLN)
1	Blackstone Group	7,000
2	Caisse des Dépôts	3,962
3	AXA IM Alts	3,896
4	LaSalle IM	3,759
5	Brookfield AM	3,640

Biggest risers

		2022 (€ MLN)	2021 (€ MLN)	CHANGE %
1	Greystar RE	6,422	2,437	163.52%
2	Henderson Park	3,200	1,735	84.44%
3	AEW	5,600	3,100	80.65%
4	Caisse des Dépôts	5,263	2,943	78.83%
5	LaSalle IM	7,864	4,721	66.57%

Biggest fallers

		2022 (€ MLN)	2021 (€ MLN)	CHANGE %
1	Heimstaden Bostad	1,922	12,188	-84.23%
2	DWS Group	2,623	7,539	-65.21%
3	Invesco Real Estate	1,083	3,110	-65.18%
4	CBRE IM	5,073	12,900	-60.67%
5	Union Investment	2,388	5,957	-59.91%

SOURCE: PROPERTYEU RESEARCH/MSCI REAL ASSETS

concluded several portfolio deals during the year, particularly in logistics, doubling its platform in Portugal with a pair of acquisitions worth €325 mln and acquiring a €490 mln Swedish portfolio from Corem.

These figures do not include the €21 bn recapitalisation of Mileway, the biggest real estate transaction of the year in Europe, which was mainly financed by existing investors after negotiations with Prologis on a sale broke down. But even without Mileway, Blackstone's deal volume of €21.2 bn was larger than its two closest competitors, AXA IM Alts and Brookfield Asset Management, combined *(see also interview with Blackstone on p8)*.

Asian investors were also notably active buyers, particularly in the UK, where Singapore's sovereign wealth fund GIC took advantage of the weak pound to secure headline-grabbing deals such as the €4.43 bn purchase of Student Roost, together with Greystar, from Brookfield AM. Korea's National Pension Service (NPS) also weighed in with the acquisition of 5 Broadgate in London for €1.21 bn.

Greystar's joint venture with GIC helped push it into the top 10 (from 40th in 2021) in what was otherwise an extremely subdued year for residential property. Vonovia topped the ranking in 2021 with its takeover of Deutsche Wohnen, but last year Germany's largest residential landlord dropped out of the top 100 altogether. The company ruled out a mooted takeover of Adler and early in 2023 said it would not be starting any new construction projects, due to a combination of rising costs and a shortage of building materials. CBRE calculated that investment in residential real estate plummeted by 48% year-on-year in the last quarter of 2022, by far the largest of any sector.

RETAIL BUCKS DOWNWARD TREND

Fears of an impending recession took their toll on the office market, which was down by 15%, while logistics dropped by 8% and hotel investment by 9%. The one bright spot was retail, where volumes grew by 20% year-on-year in the final quarter. LaSalle's acquisition of two McArthurGlen outlet centres in the UK from Nuveen for £600 mln (€715 mln) was the biggest retail transaction in Europe for several years.

In the first quarter of 2023, European retail investment was down 6% compared to 2022, but this was still a relatively shallow decline. Patrick Delcol, head of European retail, logistics and hospitality at BNP Paribas Real Estate, says the pendulum swing was inevitable after the sector's long battle with the rise of e-commerce. 'That automatically made shopping centres and retail parks more appealing because of the higher net initial yield. So, when interest rates started hiking, the segments which were the least hit were those which already offered a risk premium to attract investors.'

The fact that retailers survived the 'crash test' of Covid has boosted confidence in the sector, says Delcol, as has the return to physical shopping since the end of the pandemic, with consumers spending more than in 2019. 'As long as you can catch an investor with a simple retail proposal – not an asset that needs very complex financing, because that's not available right now – your product is going to appeal to quite a lot of pockets,' he notes.

The question now is when transaction volumes might pick up again. Savills recently estimated that European offices are two-thirds of the way through a price correction as markets move into 'fair value' territory – though some core locations such as London, Amsterdam and Hamburg may have fully corrected. Analysts are not anticipating a flood of distressed assets, partly because tighter financing means the continent is not awash with new buildings, as was the case during the last financial crisis.

Much will depend on how soon central banks start cutting interest rates and economies start picking up, but Savills believes European cross-border investment will rebound as the rapid price correction and asymmetrical recovery encourages investors to shop for bargains.

The full ranking appears on page 38

2022	2021		INVESTOR TYPE	ACQUISITIONS	DISPOSALS	TOTAL
1	5	Blackstone Group	Non-listed	14,175	7,000	21,175
2	8	AXA IM Alts	Listed	5,424	3,896	9,320
3	11	Brookfield AM	Listed	4,346	3,640	7,986
4	24	LaSalle Investment Management	Non-listed	4,105	3,759	7,864
5	6	Swiss Life Asset Managers	Non-listed			7,500
6	14	GIC	Non-listed	6,907	0	6,907
7	40	Greystar RE	Non-listed	5,587	835	6,422
8	31	AEW	Non-listed	4,100	1,500	5,600
9	34	Caisse des Dépôts	Non-listed	1,301	3,962	5,263
10	9	Patrizia	Listed	3,400	1,800	5,200
11	3	CBRE Investment Management	Non-listed	3,537	2,003	5,073
12		CPI Property Group	Listed	4,031	725	4,756
13	15	Pimco Prime Real Estate (Allianz)	Non-listed	3,417	1,241	4,658
14	16	Abrdn	Listed	1,336	2,761	4,096
15		Prologis	Listed	3,944	0	3,944
16	25	M&G Real Estate	Non-listed	1,860	1,551	3,411
17	28	BNP Paribas REIM	Non-listed	2,210	1,280	3,490
18	36	Primonial REIM	Non-listed	2,300	1,030	3,330
19	23	Generali Real Estate	Non-listed	2,090	1,139	3,229
20	18	Hines	Non-listed	2,227	980	3,207
21	62	Henderson Park	Non-listed	3,200	0	3,200
22	13	SBB i Norden	Listed	1,668	1,468	3,136
23	19	Tristan Capital Partners	Non-listed	2,196	927	3,123
24	26	NREP	Non-listed	1,931	1,138	3,069
25	41	Catella	Listed	1,600	1,300	2,900
26		Befimmo	Non-listed	0	2,836	2,836
27	83	Nuveen Real Estate	Non-listed	2,194	601	2,795
28		CNP Assurances	Non-listed	2,088	557	2,645
29	10	DWS Group	Non-listed	1,694	929	2,623
30		Immofinanz	Listed	0	2,507	2,507
31	49	La Française Real Estate Managers	Non-listed	1,707	780	2,487
32	46	KKR	Listed	2,464	0	2,464
33	80	Schroders	Listed	1,613	809	2,422
34	17	Union Investment	Non-listed	2,196	192	2,388
35	39	LGIM	Non-listed	433	1,868	2,301
36		NPS	Non-listed	2,269	0	2,269
37		Merlin Properties	Listed	0	2,219	2,219
38	38	Aviva Investors	Non-listed	1,234	887	2,121
39		MARK	Non-listed	0	2,016	2,016
40		Ivanhoé Cambridge	Non-listed	1,800	200	2,000
41		Grupo BBVA	Non-listed	1,990	0	1,990
42	27	Deka Immobilien	Non-listed	1,404	570	1,974
43	33	Savills IM	Non-listed	1,044	930	1,974
44	4	Heimstaden Bostad	Non-listed	1,863	59	1,922
45	35	APG Asset Management	Non-listed	1,628	277	1,904
46	47	Panattoni Europe	Non-listed	891	1,011	1,902
47	53	M7 Real Estate	Non-listed	1,370	488	1,858
48	73	Goldman Sachs	Non-listed	553	1,210	1,763
49	59	Barings Real Estate	Non-listed	1,214	508	1,722
50		GLP Capital Partners	Non-listed	1,717	0	1,717

ALL FIGURES IN € MLN

SOURCE: PROPERTYEU AND MSCI REAL ASSETS

2022	2021		INVESTOR TYPE	ACQUISITIONS	DISPOSALS	TOTAL
51	85	Oxford Properties (OMERS)	Non-listed	968	745	1,713
52		ECE Projektmanagement	Non-listed	1,400	300	1,700
53	90	Bayerische Landesbank	Non-listed	577	1,007	1,584
54	77	Ares Management	Listed	1,157	379	1,536
55	29	Kryalos	Non-listed	705	828	1,533
56		Orange Capital Partners	Non-listed	1,509	0	1,509
57		S Immo AG	Listed	0	1,506	1,506
58		Harrison Street	Non-listed	951	540	1,491
59		UBS Asset Management	Non-listed	825	665	1,490
60		Oval Real Estate	Non-listed	1,177	310	1,487
61		Alphabet Inc	Listed	1,484	0	1,484
62		Cuscaden Peak	Non-listed	1,481	0	1,481
63		Singapore Press Holdings	Listed	0	1,481	1,481
64	55	Oaktree	Listed	1,465	0	1,465
65		AMF Pension	Non-listed	0	1,451	1,451
66		CK Asset Holdings	Listed	0	1,449	1,449
67	74	Adler Group SA	Listed	0	1,434	1,434
68		Santander	Non-listed	409	1,012	1,421
69		Perial	Non-listed	1,419	0	1,419
70	92	Columbia Threadneedle	Non-listed	532	877	1,409
71		Deutsche EuroShop AG	Listed	0	1,400	1,400
72		Otto Group	Non-listed	1,400	0	1,400
73		Landsec	Listed	0	1,379	1,379
74	84	Realty Income Corp	Listed	1,372	0	1,372
75	78	MEAG	Non-listed	733	632	1,365
76		Velero Partners	Non-listed	1,360	0	1,360
77		Entra Eiendom	Listed	1,351	0	1,351
78		Gjensidige	Non-listed	0	1,351	1,351
79		Hibernia Real Estate Group	Non-listed	0	1,331	1,331
80		Starwood Capital	Non-listed	717	600	1,317
81		Corum	Non-listed	1,272	0	1,272
82	44	BlackRock	Non-listed	780	454	1,234
83		Resolution Property	Non-listed	0	1,210	1,210
84		CA Immo	Listed	600	600	1,200
85	37	Unibail-Rodamco-Westfield	Listed	0	1,200	1,200
86		HanseMerkur	Non-listed	749	427	1,176
87		Garbe Group	Non-listed	1,163	0	1,163
88		Aermont Capital	Non-listed	0	1,144	1,144
89		Coima	Non-listed	851	293	1,144
90		Reale Compagnia Italiana	Non-listed	0	1,130	1,130
91		Cadillac Fairview	Non-listed	1,124	0	1,124
92		Nationale Nederlanden	Non-listed	0	1,124	1,124
93		Kapan Pensioner	Non-listed	1,116	0	1,116
94		Hillwood	Non-listed	0	1,111	1,111
95	60	Invesco Real Estate	Non-listed	653	430	1,083
96	93	Covivio	Listed	365	698	1,063
97		LVMH	Non-listed	1,057	0	1,057
98		CTP Invest	Listed	1,042	0	1,042
99		Swiss Prime Site	Listed	1,033	0	1,033
100		Société Générale	Non-listed	450	573	1,023

ALL FIGURES IN € MLN

SOURCE: PROPERTYEU AND MSCI REAL ASSETS

1 Blackstone Group[1]

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Richard Powers
WEB ADDRESS: www.blackstone.com

TRANSACTIONS 2022 (EUROPE):	€21,175
ACQUISITIONS 2022 (EUROPE):	€14,175
DISPOSALS 2022 (EUROPE):	€7,000
SECTORS:	

2 AXA IM Alts

STATUS: Listed
HEAD OFFICE EUROPE: Paris
CEO/HEAD RE EUROPE: Isabelle Scemama
WEB ADDRESS: alts.axa-im.com

TRANSACTIONS 2022 (EUROPE):	€9,320
ACQUISITIONS 2022 (EUROPE):	€5,423
DISPOSALS 2022 (EUROPE):	€3,896
SECTORS:	

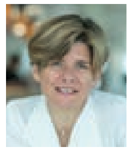
COMPANY PROFILE:

About AXA IM Alts:

AXA IM Alts is a global leader in alternative investments with over €186 billion of assets under management[1] comprising c.€90 billion of primarily private real estate, over €85 billion of private debt and alternative credit, as well as over €10 billion in Infrastructure, private equity and hedge funds. We take a 360° approach to real estate & infrastructure investing with over €132 billion of assets under management in direct opportunities, held indirectly through debt and listed equities and via long term private equity investments into operating platforms. ESG is fully integrated into our investment decision making processes with our responsible investment approach anchored by the three key pillars of decarbonisation, resilience and building tomorrow. AXA IM Alts employs over 840+ people located in 17 offices around the world and serves the needs of more than 600 clients from Europe, North America, Asia Pacific and Middle East. We are the number one property portfolio and asset manager in Europe [2], and one of the largest worldwide.

1 SOURCE: AXA IM ALTS DATA (UNAUDITED) AS OF 31 DECEMBER 2022.
2 SOURCE: IPE TOP 150 REAL ESTATE INVESTMENT MANAGERS, NOVEMBER/DECEMBER 2022. #1 REAL ESTATE INVESTMENT MANAGER IN EUROPE BASED ON TOTAL EUROPEAN REAL ESTATE ASSETS UNDER MANAGEMENT

CEO PROFILE:



Isabelle Scemama
Global Head, Alts
Member of AXA IM Management Board
Member of the Board of Directors of EPRA

Isabelle Scemama is Global Head of AXA IM Alts. Isabelle oversees AXA IM's €186bn+ alternative business unit, AXA IM Alts, which employs over 800 people located in 17 offices, serving the needs of more than 600 clients globally. AXA IM Alts is a global leader in alternatives asset management, putting ESG at the heart of its investment approach, with an established position in real estate (#1 real estate investment manager in Europe, #9 worldwide), infrastructure (#3 global infrastructure debt capital raiser), private debt (#1 CRE debt capital raiser globally, #4 global private debt capital raiser) alternative credit and private equity.

In her role, she leads the definition and execution of AXA IM Alts global strategy as well as in the supervision of its day-to-day management. Isabelle also sits on AXA IM – Real Estate and Infrastructure Investment Committees and chairs the AXA IM Alts Management Board.

Isabelle joined AXA IM - Real Assets in 2001 to develop the third-party business. Notably, she launched the CRE and infrastructure debt lending platforms in 2005 and 2013 respectively, now firmly established as global leaders, before taking responsibility of the full fund management activity of AXA IM- Real Assets. She was later appointed CEO of AXA IM – Real Assets in 2017, a role to which was added the responsibility of the overall alternatives' asset management activity of AXA IM, as Global Head of AXA IM Alts in 2020.

Isabelle has more than 32 years of experience in the alternatives asset management industry, out of which 21 years within AXA IM. Before joining AXA IM, Isabelle held various positions in corporate and real estate financing at Paribas.

Isabelle graduated from IEP Paris (Sciences Po) with a degree in Political Science in 1989.

INVESTMENT STRATEGY:

As a global leader in alternatives investing, we offer investment strategies and alternative funds across the whole spectrum, with key pillars in real estate, private debt & alternative credit, and private equity & infrastructure. We invest across different real asset classes, geographies, and via private and listed instruments. Our approach provides us with a thorough understanding of relative value in real assets markets. This is critical when navigating across the different phases of market cycles, providing clients with agility in their real assets allocation.

We are committed to reaching net zero greenhouse gas emissions by 2050 across all our assets, and integrating ESG principles into our business, from stock selection to our corporate actions and culture. Our goal is to provide clients with a true value responsible investment solution, while driving meaningful change for society and the environment.

TOP DEALS IN 2022:

1 Launched a new Australian Build-to-Rent (BTR) strategy, in its first landmark project in Australia, AXA IM Alts will focus on affordable and market built to rent housing at Westmead, in Western Sydney through a partnership with St George Community Housing (SGCH).

2 Entered into the Spanish healthcare market, focusing on the development of best-in-class ESG-compliant care home assets. The first investment will see the development of a **12,600 sqm** state-of-the-art health facility in Zaragoza, the capital of Spain's Aragon region, and will include 270-beds in total across a nursing home and mental health clinic, alongside a separate day care centre on site.

3 Acquired Vita Student Lewisham Exchange, a **758-bed** purpose built student accommodation ("PBSA") scheme in Lewisham, Southeast London. The acquisition, on behalf of clients, has been made from Vita Group, which has developed nearly 10,000 beds in the UK since 2012 and who has been retained as the assets' operator under its Vita Student brand. In line with AXA IM Alts' global sustainability strategy, the building is targeting a **BREEAM Excellent certification** and is **EPC rated A**.

4 Acquired **29 multi-family** and **4 student accommodation assets** in Japan. The 1,482 unit multi-family portfolio is predominately studio apartments, located in high-density neighbourhoods within Greater Tokyo and Osaka, with excellent transport links to the CBD. The student accommodation portfolio contains 539 studio apartments. All have excellent access to the city centre and provide access to between seven and eleven local universities within a 30-minute commute.

AWARDS:

1 European Pension Awards 2022:
- Alternatives Investment Manager of the Year

2 Agri Investor Awards 2022:
- Fund Manager of the Year (Europe)

3 Wealth & Asset Management Awards 2023:
- Alternatives Investment Provider of the Year
- ESG Initiative of the Year

SELECTED FUNDS:

AXA CoRE Europe Fund

The AXA CoRE Europe Fund is an open-ended real estate investment fund that seeks to achieve long-term stable income through the acquisition of Core real estate assets across Europe, capitalising on individual market dynamics and timing.

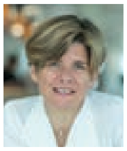
AXA Logistics Europe Fund

Draw on AXA IM - Real Assets' extensive real estate knowledge and expertise. The pan-European Core / Core+ logistics investment fund targets regular income distributions and long-term capital appreciation through the creation and management of a diversified portfolio of quality logistics assets.

AXA Residential Europe Fund

AXA Residential Europe Fund has a strong ongoing deal flow and solid performance. The fund benefits from fundamental economic, social and demographic trends and focuses on affordable micro locations within major cities.

RE TOP 3 MEMBERS:



Isabelle Scemama
Global Head, Alts
Member of AXA IM Management Board
Member of the Board of Directors of EPRA

John O'Driscoll
Global Co-Head Real Estate
Member of Management Board of AXA IM Alts

Timothé Rauly
Global Co-Head Real Estate
Member of AXA IM Alts Management Board
Member of Global Investors Committee

3 Brookfield AM[5]

STATUS: Listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Zach Vaughan
WEB ADDRESS: www.brookfield.com

TRANSACTIONS 2022 (EUROPE):	€7,986
ACQUISITIONS 2022 (EUROPE):	€4,346
DISPOSALS 2022 (EUROPE):	€3,640
SECTORS:	

4 LaSalle Investment Management

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Philip La Pierre
WEB ADDRESS: www.lasalle.com

TRANSACTIONS 2022 (EUROPE):	€7,864
ACQUISITIONS 2022 (EUROPE):	€4,105
DISPOSALS 2022 (EUROPE):	€3,759
SECTORS:	

5 Swiss Life Asset Managers

STATUS: Non-listed
HEAD OFFICE EUROPE: Zurich
CEO/HEAD RE EUROPE: Stefan Mächler
WEB ADDRESS: www.swisslife-am.com

TRANSACTIONS 2022 (EUROPE):	€7,500
SECTORS:	

6 GIC

STATUS: Non-listed
HEAD OFFICE EUROPE: Singapore
CEO/HEAD RE EUROPE: Lim Chow Kiat
WEB ADDRESS: www.gic.com.sg

TRANSACTIONS 2022 (EUROPE):	€6,907
ACQUISITIONS 2022 (EUROPE):	€6,907
DISPOSALS 2022 (EUROPE):	€0
SECTORS:	

7 Greystar RE

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Bob Faith
WEB ADDRESS: www.greystar.com

TRANSACTIONS 2022 (EUROPE):	€6,422
ACQUISITIONS 2022 (EUROPE):	€5,587
DISPOSALS 2022 (EUROPE):	€835
SECTORS:	

8 AEW

STATUS: Non-listed
HEAD OFFICE EUROPE: Paris/London
CEO/HEAD RE EUROPE: Rob Wilkinson
WEB ADDRESS: www.aew.com

TRANSACTIONS 2022 (EUROPE):	€5,600
ACQUISITIONS 2022 (EUROPE):	€4,100
DISPOSALS 2022 (EUROPE):	€1,500
SECTORS:	

9 Caisse des Dépôts

STATUS: Non-listed
HEAD OFFICE EUROPE: Paris
CEO/HEAD RE EUROPE: Eric Lombard
WEB ADDRESS: www.caissedesdepots.fr/en

TRANSACTIONS 2022 (EUROPE):	€5,263
ACQUISITIONS 2022 (EUROPE):	€1,301
DISPOSALS 2022 (EUROPE):	€3,962
SECTORS:	

10 Patrizia

STATUS: Listed
HEAD OFFICE EUROPE: Augsburg
CEO/HEAD RE EUROPE: Wolfgang Egger
WEB ADDRESS: www.patrizia.ag

TRANSACTIONS 2022 (EUROPE):	€5,200
ACQUISITIONS 2022 (EUROPE):	€3,400
DISPOSALS 2022 (EUROPE):	€1,800
SECTORS:	

11 CBRE Investment Management

STATUS: Non-listed
HEAD OFFICE EUROPE: Amsterdam/London
CEO/HEAD RE EUROPE: Rik Eertink
WEB ADDRESS: www.cbreim.com

TRANSACTIONS 2022 (EUROPE):	€5,073
ACQUISITIONS 2022 (EUROPE):	€3,537
DISPOSALS 2022 (EUROPE):	€2,003
SECTORS:	

DEAL VOLUMES ARE PRESENTED IN €MLN

PROPERTY TYPES OFFICE RETAIL LOGISTICS RESIDENTIAL HOTELS ALTERNATIVE

DATA SOURCE: PROPERTYEU RESEARCH / MSCI REAL ASSETS

12 CPI Property Group

STATUS: Listed
HEAD OFFICE EUROPE: Luxembourg
CEO/HEAD RE EUROPE: Martin Nemecek
WEB ADDRESS: www.cpipg.com
TRANSACTIONS 2022 (EUROPE): €4,756
ACQUISITIONS 2022 (EUROPE): €4,031
DISPOSALS 2022 (EUROPE): €725
SECTORS:

13 Pimco Prime Real Estate (Allianz)

STATUS: Non-listed
HEAD OFFICE EUROPE: Munich/Paris
CEO/HEAD RE EUROPE: François Trausch
WEB ADDRESS: www.allianz-realestate.com
TRANSACTIONS 2022 (EUROPE): €4,658
ACQUISITIONS 2022 (EUROPE): €3,417
DISPOSALS 2022 (EUROPE): €1,241
SECTORS:

14 Abrdn

STATUS: Listed
HEAD OFFICE EUROPE: Edinburgh
CEO/HEAD RE EUROPE: Neil Slater
WEB ADDRESS: www.abrdn.com
TRANSACTIONS 2022 (EUROPE): €4,096
ACQUISITIONS 2022 (EUROPE): €1,336
DISPOSALS 2022 (EUROPE): €2,761
SECTORS:

15 Prologis

STATUS: Listed
HEAD OFFICE EUROPE: Amsterdam
CEO/HEAD RE EUROPE: Ben Bannatyne
WEB ADDRESS: www.prologis.com
TRANSACTIONS 2022 (EUROPE): €3,944
ACQUISITIONS 2022 (EUROPE): €3,944
DISPOSALS 2022 (EUROPE): €0
SECTORS:

16 M&G Real Estate

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Tony Brown
WEB ADDRESS: www.mandg.com/realestate
TRANSACTIONS 2022 (EUROPE): €3,411
ACQUISITIONS 2022 (EUROPE): €1,860
DISPOSALS 2022 (EUROPE): €1,551
SECTORS:

17 BNP Paribas REIM

STATUS: Non-listed
HEAD OFFICE EUROPE: Boulogne-Billancourt
CEO/HEAD RE EUROPE: Nathalie Charles
WEB ADDRESS: reim.bnpparibas.com/en
TRANSACTIONS 2022 (EUROPE): €3,490
ACQUISITIONS 2022 (EUROPE): €2,210
DISPOSALS 2022 (EUROPE): €1,280
SECTORS:

18 Primonial REIM

STATUS: Non-listed
HEAD OFFICE EUROPE: Paris
CEO/HEAD RE EUROPE: Laurent Fléchet
WEB ADDRESS: www.primonialreim.com
TRANSACTIONS 2022 (EUROPE): €3,330
ACQUISITIONS 2022 (EUROPE): €2,300
DISPOSALS 2022 (EUROPE): €1,030
SECTORS:

19 Generali Real Estate

STATUS: Non-listed
HEAD OFFICE EUROPE: Milan
CEO/HEAD RE EUROPE: Aldo Mazzocco
WEB ADDRESS: www.generalirealestate.com
TRANSACTIONS 2022 (EUROPE): €3,229
ACQUISITIONS 2022 (EUROPE): €2,090
DISPOSALS 2022 (EUROPE): €1,139
SECTORS:

20 Hines

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Lars Huber
WEB ADDRESS: www.hines.com
TRANSACTIONS 2022 (EUROPE): €3,207
ACQUISITIONS 2022 (EUROPE): €2,227
DISPOSALS 2022 (EUROPE): €980
SECTORS:

COMPANY PROFILE

Hines is a global real estate investment, development and property manager.

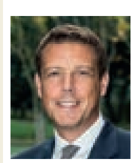
The firm was founded by Gerald D. Hines in 1957, with a presence across 395 cities in 30 countries and manages nearly c.€94bn of investments assets across residential, logistics, retail, office, and mixed-use strategies. Hines globally serves 685 properties totaling nearly 201 million square meters globally, and is committed to a net zero carbon target by 2040 without buying offsets.

To learn more about Hines, visit www.hines.com and follow @Hines on social media.

Hines takes a long-term view and pursue strategies that help the company weather all real estate cycles. Hines' historical and current portfolio consists of 1,610 projects acquired or developed, with another 203 projects under development or in design around the world. The firm has 4,700 employees, most often locals in their specific investment market, executing the different activities of Hines globally. With extensive experience in investments across the risk spectrum and all property types, and a foundational commitment to ESG, Hines is one of the largest and most-respected [private] real estate organisations in the world.

Since entering Europe in 1991, Hines has been actively investing, developing, and acquiring real estate in Europe for more than 30 years. Headquartered in London, the firm's European platform has a presence in 38 cities in Austria, Czechia, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Spain, the Netherlands and the United Kingdom. The business includes portfolios of prominent office, retail, industrial and residential properties, managing c.€29 billion in total assets under management.

CEO PROFILE



Lars Huber
CEO, European Region / London, UK

Mr. Huber serves as CEO for Hines' European Region and is a member of the firm's Executive Committee. He is responsible for all development activity, acquisitions, and operations in the region with Hines presence in 12 countries. He joined Hines in 1996, and in his prior roles, Huber oversaw equity capital raising for Hines in Europe and Asia, served as fund manager in the European Investment Management team, and worked on development and acquisitions as development officer in Germany. In 2022 Mr. Huber, was appointed the ULI Europe Chairman and joined the ULI Global Board of Directors.

INVESTMENT STRATEGY

Hines' investment philosophy is to focus on high-quality properties and maximize value through the firm's vertically integrated platform – both at the portfolio and asset level. Hines believes that the highest quality properties, both in terms of physical characteristics and location, are generally able to outperform their respective markets. Hines believes that this approach translates into more consistent investment performance for investors over the long term, while mitigating short-term downside risks and potential gaps in rental income.
Hines' local market knowledge, together with its central resources, investment management, and proprietary research, creates a marked difference between Hines and its competitors. This end-to-end approach and deep understanding of real estate both from an investor's point of view and as a world-class operator is the hallmark of Hines.
This investment philosophy has been developed and refined over 66 years of experience and applies to all mandates and all real estate sectors. Investment ideas are generated by bringing together guidance from the firm's Proprietary Research Group, Investment Management teams, and the expertise and concrete investment opportunities that the local Operating Platforms originate.
Hines believes that the integration of these critical real estate investment functions within one organization provides a competitive advantage that will directly benefit the investment. Additionally, Hines has long been active in sustainable design development and investment, and in promoting ESG programs around the world. Hines' investment teams place emphasis on environmental sustainability and improving the footprint of the firm's assets under management. Hines' investments are guided by the Hines Responsible Investment Statement and Global Code of Business Conduct and Ethics and are viewed through the lens of the firm's Sustainability, Resilience, and Responsible Investment Framework.

TOP DEALS 2022

1 Hines European Value Fund 2 (HEVF2) invested in a logistics portfolio in Northern Italy leased to Snatt Logistica Group. The portfolio of 20 logistics assets provides a total of 200,000 square meters of logistics space around Milan, Parma, Reggio Emilia, and Bologna. They are strategic, well-established logistic centers that enjoy effective, rapid connections with Italy's main cities and the rest of Europe.
2 Hines European Value Fund (HEVF) has signed four agreements for office space spanning a total of 7,500 square meters at Wola Center in Warsaw. All agreements are long-term leases with at least five-year terms.
3 Hines acquired five UK logistics sites in two separate transactions on behalf of its funds, Hines European Core Fund (HECF) and Hines European Property Partners (HEPP). HECF acquired 13.285 square meters of best-in-class space located just across the cargo gate at Heathrow Airport and HEPP acquired an off-market, fully occupied four asset portfolio located across the North of England.
4 Hine and Allianz Rela Estate partnered to complete a €80 million investment in the Urban Mile fund managed by Blue SGR. The investment saw the acquisition of 110,000 square metres of brownfield land in Milan, Italy for the construction of an innovative logistics hub designed for last-mile deliveries and electric mobility.
5 Hines Global Income Trust (HGIT) acquired several plots of land in the Corredor del Henares, adding to the existing plot it acquired in 2020. The total area now spans 103,940 square meters. For more information: https://www.hines.com/news
#marekting communication

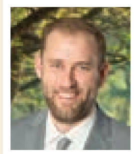
AWARDS 2022

1 PERE –Firm of the Year – Central & Eastern Europe
2 PREA –Closed-End Fund ESG Award – Hines European Value Fund 2 (HEVF2)
3 GRESB - HECF received multiple awards including Global Sector Leader in the Diversified category, Global Non-listed Sector Leader in the Diversified category and Regional Sector Leader - Europe in the Diversified category. Additional info to add here: for HEVF 2 and BVK: https://www.hines.com/news/hines-recieves-global-sector-status-in-industry-gresb-rankings

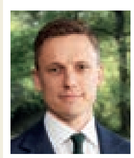
RE TEAM TOP 4 MEMBERS

Jeff Hines, Chairman and Co-CEO
Mr. Hines serves as Chairman and Co-CEO. He leads the Executive Committee and is responsible for overseeing all firm policies and procedures as well as day-to-day operations.

Laura Hines-Pierce, Co-CEO
Mrs Hines-Pierce serves as Co-CEO focused on innovation, ESG, delivering a hospitality-led occupier experience and diversity, equity and inclusion at Hines. She is a member of the firm's Executive Committee and the Investment Committee.



David Steinbach, Global CIO
Mr. Steinbach serves as Global CIO and Co-Head of Investment Management and is responsible for directing investment strategy for Hines.



Alex Knapp, CIO, Europe
Mr. Knapp is CIO for Hines' European business and leads its Investment Management platform in the region.

COMPANY DETAILS

Global Headquarters
845 Texas Avenue,
Houston 77002, United States
+1 713 621 8000

European Headquarters
Grainhouse, 12 Dryden St
London WC2E 9NA, UK
+44 20 7292 1900
www.hines.com

Hines

21 Henderson Park

STATUS: Non-listed	
HEAD OFFICE EUROPE: London	
CEO/HEAD RE EUROPE: Nick Weber	
WEB ADDRESS: www.hendersonpark.com	
TRANSACTIONS 2022 (EUROPE):	€3,200
ACQUISITIONS 2022 (EUROPE):	€3,200
DISPOSALS 2022 (EUROPE):	€0
SECTORS:	

22 SBB i Norden

STATUS: Listed
HEAD OFFICE EUROPE: Stockholm
CEO/HEAD RE EUROPE: Annika Ekström
WEB ADDRESS: www.sbbnorden.se
TRANSACTIONS 2022 (EUROPE): €3,136
ACQUISITIONS 2022 (EUROPE): €1,668
DISPOSALS 2022 (EUROPE): €1,468
SECTORS:

23 Tristan Capital Partners

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Ian Laming
WEB ADDRESS: www.tristancap.com
TRANSACTIONS 2022 (EUROPE): €3,123
ACQUISITIONS 2022 (EUROPE): €2,196
DISPOSALS 2022 (EUROPE): €927
SECTORS:

24 NREP

STATUS: Non-listed
HEAD OFFICE EUROPE: Copenhagen
CEO/HEAD RE EUROPE: Claus Mathisen
WEB ADDRESS: www.nrep.com
TRANSACTIONS 2022 (EUROPE): €3,069
ACQUISITIONS 2022 (EUROPE): €1,931
DISPOSALS 2022 (EUROPE): €1,138
SECTORS:

25 Catella

STATUS: Listed
HEAD OFFICE EUROPE: Stockholm
CEO/HEAD RE EUROPE: Christoffer Abramsson
WEB ADDRESS: www.catella.com
TRANSACTIONS 2022 (EUROPE): €2,900
ACQUISITIONS 2022 (EUROPE): €1,600
DISPOSALS 2022 (EUROPE): €1,300
SECTORS:

26 Befimmo

STATUS: Non-listed
HEAD OFFICE EUROPE: Brussels
CEO/HEAD RE EUROPE: Jean-Philip Vroninks
WEB ADDRESS: www.befimmo.be
TRANSACTIONS 2022 (EUROPE): €2,836
ACQUISITIONS 2022 (EUROPE): €0
DISPOSALS 2022 (EUROPE): €2,836
SECTORS:

27 Nuveen Real Estate

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Chris McGibbon
WEB ADDRESS: www.nuveen.com
TRANSACTIONS 2022 (EUROPE): €2,795
ACQUISITIONS 2022 (EUROPE): €2,194
DISPOSALS 2022 (EUROPE): €601
SECTORS:

28 CNP Assurances

STATUS: Non-listed
HEAD OFFICE EUROPE: Issy-Les-Moulineaux
CEO/HEAD RE EUROPE: Daniel Thébert
WEB ADDRESS: www.cnp.fr
TRANSACTIONS 2022 (EUROPE): €2,645
ACQUISITIONS 2022 (EUROPE): €2,088
DISPOSALS 2022 (EUROPE): €557
SECTORS:

29 DWS Group

STATUS: Non-listed
HEAD OFFICE EUROPE: Frankfurt
CEO/HEAD RE EUROPE: Clemens Schäfer
WEB ADDRESS: go.dws.com/realestate
TRANSACTIONS 2022 (EUROPE): €2,623
ACQUISITIONS 2022 (EUROPE): €1,694
DISPOSALS 2022 (EUROPE): €929
SECTORS:

30 Immofinanz

STATUS: Listed
HEAD OFFICE EUROPE: Vienna
CEO/HEAD RE EUROPE: Radka Doehring
WEB ADDRESS: www.immofinanz.com
TRANSACTIONS 2022 (EUROPE): €2,507
ACQUISITIONS 2022 (EUROPE): €0
DISPOSALS 2022 (EUROPE): €2,507
SECTORS:

31 La Française Real Estate Managers

STATUS: Non-listed
HEAD OFFICE EUROPE: Paris
CEO/HEAD RE EUROPE: Philippe Depoux
WEB ADDRESS: www.la-francaise.com/en
TRANSACTIONS 2022 (EUROPE): €2,487
ACQUISITIONS 2022 (EUROPE): €1,707
DISPOSALS 2022 (EUROPE): €780
SECTORS:

32 KKR

STATUS: Listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Guillaume Cassou
WEB ADDRESS: www.kkr.com
TRANSACTIONS 2022 (EUROPE): €2,464
ACQUISITIONS 2022 (EUROPE): €2,464
DISPOSALS 2022 (EUROPE): €0
SECTORS:

33 Schroders

STATUS: Listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Sophie van Oosterom
WEB ADDRESS: www.schroders.com
TRANSACTIONS 2022 (EUROPE): €2,422
ACQUISITIONS 2022 (EUROPE): €1,613
DISPOSALS 2022 (EUROPE): €809
SECTORS:

34 Union Investment

STATUS: Non-listed
HEAD OFFICE EUROPE: Hamburg
CEO/HEAD RE EUROPE: Michael Bütter
WEB ADDRESS: www.union-investment.de
TRANSACTIONS 2022 (EUROPE): €2,388
ACQUISITIONS 2022 (EUROPE): €2,196
DISPOSALS 2022 (EUROPE): €192
SECTORS:

COMPANY PROFILE

Union Investment is a leading international investment company, providing customised real estate solutions for private and institutional clients. Union Investment currently has assets under management totaling around €56.8bn in actively managed funds and service and pooling mandates. Established in 1965, Hamburg-based Union Investment Real Estate GmbH is the specialist for private real estate investment within the Union Investment Group. Its sister company, Union Investment Institutional Property GmbH, focuses on real estate investment for institutional customers. The portfolios of Union Investment's open-ended real estate funds comprise 480 properties and projects in Europe, the Americas and Asia Pacific.

CEO PROFILE

Bütter Michael
CEO

+49 40 34919 4460
michael.buetter@union-investment.de

Dr. Michael Bütter has been CEO and Chairman of the Management Board of Union Investment Real Estate GmbH since 1 October 2020. As head of the Real Estate segment, he is responsible for coordinating Union Investment's entire global real estate business. His remit covers amongst other segment management, real estate law, communications and marketing. He is also responsible for HR and internal auditing and for industry associations and coordination of the company's Management Board and corporate bodies. Since January 2022, he is responsible for the management of the open-ended real estate funds for private investors.

INVESTMENT STRATEGY

Active in the property investment business for more than 55 years, Union Investment operates today in 24 countries around the world, with approximately 60% of property assets located in countries outside the domestic market. To spread risk and enhance performance, the company has a strict policy of investing in a broad mix of uses, regions and property sizes. Investments in city centre office space are the mainstay of the company's investment strategy. In addition, Union Investment is investing in logistics and residential properties, shopping centres and hotels. For many years, Union Investment has had a strong focus on ESG and sustainable investments.

SELECTED FUNDS

Private investors
- UniImmo: Deutschland
- UniImmo: Europa
- UniImmo: Global

Institutional investors
- UniInstitutional German Real Estate
- UniInstitutional European Real Estate
- UII European M
- UII Hotel Nr. 1
- UII Shopping Nr. 1
- Urban Campus Nr. 1
- Urban Living Nr. 1

TOP DEALS 2022

1 The Catalyst, Sunnyvale (California). Best-in-class office property with a focus on sustainability and wellness and one of the newest trophy office buildings in this popular submarket.

3 Radisson Blu Sagrada Familia, Barcelona. The city is one of Europe's most attractive hotel markets with high barriers to entry for investors. The hotel is located right next to the world-famous Sagrada Familia Basilica.

3 Module 2 of the Siemens Campus, Erlangen. One of the most exciting construction projects in Germany. An especially innovative feature is that the central reception building and the four new office buildings were built using the wood hybrid construction method

AWARDS

For the fourth time in a row, Union Investment was named best asset manager in the Retail Real Estate Germany category by the Scope rating agency (as at november 2022). The Scope Award is the most traditional and important award for fund and asset managers in the DACH region.

RE TEAM

Brühl Martin J.
CIO

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Obermeyer Alejandro
Head of Investment Management DACH

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COMPANY DETAILS

Union Investment

Union Investment Real Estate GmbH
Valentinskamp 70/EMPORIO
20355 Hamburg, Germany
TEL: +49 40 34919 0
WEB: www.union-investment.de/realestate
LINKEDIN: www.linkedin.com/company/union-investment-real-estate

35 LGIM

STATUS: Non-listed	
HEAD OFFICE EUROPE: London	
CEO/HEAD RE EUROPE: Bill Hughes	
WEB ADDRESS: www.legalandgeneral.com	
TRANSACTIONS 2022 (EUROPE):	€2,301
ACQUISITIONS 2022 (EUROPE):	€433
DISPOSALS 2022 (EUROPE):	€1,868
SECTORS:	

36 NPS

STATUS: Non-listed	
HEAD OFFICE EUROPE: Jeonjiu	
CEO/HEAD RE EUROPE: Kim Yong-Jin	
WEB ADDRESS: www.nps.org.kr	
TRANSACTIONS 2022 (EUROPE):	€2,269
ACQUISITIONS 2022 (EUROPE):	€2,269
DISPOSALS 2022 (EUROPE):	€0
SECTORS:	

37 Merlin Properties

STATUS: Listed	
HEAD OFFICE EUROPE: Madrid	
CEO/HEAD RE EUROPE: Ismael Clemente	
WEB ADDRESS: www.merlinproperties.com	
TRANSACTIONS 2022 (EUROPE):	€2,219
ACQUISITIONS 2022 (EUROPE):	€0
DISPOSALS 2022 (EUROPE):	€2,219
SECTORS:	

DEAL VOLUMES ARE PRESENTED IN €MLN

PROPERTY TYPES OFFICE RETAIL LOGISTICS RESIDENTIAL HOTELS ALTERNATIVE

DATA SOURCE: PROPERTYEU RESEARCH / MSCI REAL ASSETS

38 Aviva Investors

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Daniel McHugh
WEB ADDRESS: www.avivainvestors.com
TRANSACTIONS 2022 (EUROPE): €2,121
ACQUISITIONS 2022 (EUROPE): €1,234
DISPOSALS 2022 (EUROPE): €887
SECTORS:

39 MARK

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Marcus Meijer
WEB ADDRESS: www.thisismark.com
TRANSACTIONS 2022 (EUROPE): €2,016
ACQUISITIONS 2022 (EUROPE): €0
DISPOSALS 2022 (EUROPE): €2,016
SECTORS:

40 Ivanhoé Cambridge

STATUS: Non-listed
HEAD OFFICE EUROPE: Paris
CEO/HEAD RE EUROPE: Nathalie Palladitcheff
WEB ADDRESS: ivanhoecambridge.com
TRANSACTIONS 2022 (EUROPE): €2,000
ACQUISITIONS 2022 (EUROPE): €1,800
DISPOSALS 2022 (EUROPE): €200
SECTORS:

41 Grupo BBVA

STATUS: Non-listed
HEAD OFFICE EUROPE: Madrid
CEO/HEAD RE EUROPE: Pablo González Taberna
WEB ADDRESS: www.bbva.com
TRANSACTIONS 2022 (EUROPE): €1,990
ACQUISITIONS 2022 (EUROPE): €1,990
DISPOSALS 2022 (EUROPE): €0
SECTORS:

42 Deka Immobilien

STATUS: Non-listed
HEAD OFFICE EUROPE: Frankfurt
CEO/HEAD RE EUROPE: Esteban de Lope Fend
WEB ADDRESS: www.deka.com/immobilien
TRANSACTIONS 2022 (EUROPE): €1,974
ACQUISITIONS 2022 (EUROPE): €1,404
DISPOSALS 2022 (EUROPE): €570
SECTORS:

43 Savills IM

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Alex Jeffrey
WEB ADDRESS: www.savillsim.com
TRANSACTIONS 2022 (EUROPE): €1,974
ACQUISITIONS 2022 (EUROPE): €1,044
DISPOSALS 2022 (EUROPE): €930
SECTORS:

44 Heimstaden Bostad

STATUS: Non-listed
HEAD OFFICE EUROPE: Malmö
CEO/HEAD RE EUROPE: Patrik Hall
WEB ADDRESS: www.heimstaden.com
TRANSACTIONS 2022 (EUROPE): €1,922
ACQUISITIONS 2022 (EUROPE): €1,863
DISPOSALS 2022 (EUROPE): €59
SECTORS:

45 APG Asset Management

STATUS: Non-listed
HEAD OFFICE EUROPE: Amsterdam
CEO/HEAD RE EUROPE: Rutger van der Lubbe
WEB ADDRESS: www.apg.nl/en
TRANSACTIONS 2022 (EUROPE): €1,904
ACQUISITIONS 2022 (EUROPE): €1,628
DISPOSALS 2022 (EUROPE): €277
SECTORS:

46 Panattoni Europe

STATUS: Non-listed
HEAD OFFICE EUROPE: Warsaw
CEO/HEAD RE EUROPE: Robert Dobyrcki
WEB ADDRESS: www.panattonieurope.com
TRANSACTIONS 2022 (EUROPE): €1,902
ACQUISITIONS 2022 (EUROPE): €891
DISPOSALS 2022 (EUROPE): €1,011
SECTORS:

47 M7 Real Estate

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: David Ebbrell
WEB ADDRESS: www.m7re.eu
TRANSACTIONS 2022 (EUROPE): €1,858
ACQUISITIONS 2022 (EUROPE): €1,370
DISPOSALS 2022 (EUROPE): €488
SECTORS:

48 Goldman Sachs

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Richard J Gnodde
WEB ADDRESS: www.goldmansachs.com
TRANSACTIONS 2022 (EUROPE): €1,763
ACQUISITIONS 2022 (EUROPE): €553
DISPOSALS 2022 (EUROPE): €1,210
SECTORS:

49 Barings Real Estate

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Charles Weeks
WEB ADDRESS: www.barings.com
TRANSACTIONS 2022 (EUROPE): €1,722
ACQUISITIONS 2022 (EUROPE): €1,214
DISPOSALS 2022 (EUROPE): €508
SECTORS:

50 GLP Capital Partners

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Nick Cook
WEB ADDRESS: www.gcp.com
TRANSACTIONS 2022 (EUROPE): €1,717
ACQUISITIONS 2022 (EUROPE): €1,717
DISPOSALS 2022 (EUROPE): €0
SECTORS:

51 Oxford Properties (OMERS)

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Joanne McNamara
WEB ADDRESS: www.oxfordproperties.com
TRANSACTIONS 2022 (EUROPE): €1,713
ACQUISITIONS 2022 (EUROPE): €968
DISPOSALS 2022 (EUROPE): €745
SECTORS:

DEAL VOLUMES ARE PRESENTED IN €MLN

PROPERTY TYPES OFFICE RETAIL LOGISTICS RESIDENTIAL HOTELS ALTERNATIVE

DATA SOURCE: PROPERTYEU RESEARCH / MSCI REAL ASSETS

52 ECE Projektmanagement

STATUS: Non-listed	
HEAD OFFICE EUROPE: Hamburg	
CEO/HEAD RE EUROPE: Alexander Otto	
WEB ADDRESS: www.ece.com	
TRANSACTIONS 2022 (EUROPE):	€1,700
ACQUISITIONS 2022 (EUROPE):	€1,400
DISPOSALS 2022 (EUROPE):	€300
SECTORS:	

53 Bayerische Landesbank

STATUS: Non-listed	
HEAD OFFICE EUROPE: Munich	
CEO/HEAD RE EUROPE: Karl-Heinz Denk	
WEB ADDRESS: www.bayernimmo.de	
TRANSACTIONS 2022 (EUROPE):	€1,584
ACQUISITIONS 2022 (EUROPE):	€577
DISPOSALS 2022 (EUROPE):	€1,007
SECTORS:	

54 Ares Management

STATUS: Listed	
HEAD OFFICE EUROPE: London	
CEO/HEAD RE EUROPE: Bill Benjamin	
WEB ADDRESS: www.aresmgmt.com	
TRANSACTIONS 2022 (EUROPE):	€1,536
ACQUISITIONS 2022 (EUROPE):	€1,157
DISPOSALS 2022 (EUROPE):	€379
SECTORS:	

55 Kryalos

STATUS: Non-listed	
HEAD OFFICE EUROPE: Milan	
CEO/HEAD RE EUROPE: Paolo Massimiliano Bottelli	
WEB ADDRESS: www.kryalossgr.com	
TRANSACTIONS 2022 (EUROPE):	€1,533
ACQUISITIONS 2022 (EUROPE):	€705
DISPOSALS 2022 (EUROPE):	€828
SECTORS:	

56 Orange Capital Partners

STATUS: Non-listed	
HEAD OFFICE EUROPE: Amsterdam	
CEO/HEAD RE EUROPE: Victor van Bommel	
WEB ADDRESS: www.orangecapitalpartners.nl	
TRANSACTIONS 2022 (EUROPE):	€1,509
ACQUISITIONS 2022 (EUROPE):	€1,509
DISPOSALS 2022 (EUROPE):	€0
SECTORS:	

57 S Immo AG

STATUS: Listed	
HEAD OFFICE EUROPE: Vienna	
CEO/HEAD RE EUROPE: Holger Schmidtmayr	
WEB ADDRESS: www.simmoag.at	
TRANSACTIONS 2022 (EUROPE):	€1,506
ACQUISITIONS 2022 (EUROPE):	€0
DISPOSALS 2022 (EUROPE):	€1,506
SECTORS:	

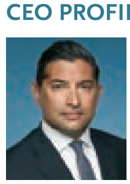
58 Harrison Street

STATUS: Non-listed	
HEAD OFFICE EUROPE: London	
CEO/HEAD RE EUROPE: Paul Bashir	
WEB ADDRESS: www.harrisonst.com	
TRANSACTIONS 2022 (EUROPE):	€1,491
ACQUISITIONS 2022 (EUROPE):	€951
DISPOSALS 2022 (EUROPE):	€540
SECTORS:	

COMPANY PROFILE

Harrison Street is one of the leading investment management firms exclusively focused on alternative real assets. Since its inception in 2005, the firm has created a series of differentiated investment solutions focused on demographic-driven, needs-based assets. The firm has invested across senior housing, student housing, healthcare delivery, life sciences and storage real estate as well as social and utility infrastructure. The firm has more than 250-employees and approximately $55 billion in assets under management. Clients of the firm include a global institutional investor base domiciled in North America, Europe, Middle East, Asia and Latin America.

CEO PROFILE



Paul Bashir, CEO - Europe

Paul brings 25 years of industry experience to Harrison Street and is a member of the Firm's Investment Committee. As Chief Executive Officer of Europe, based in London, he leads the expansion of Harrison Street's European strategies and is responsible for overseeing and growing the Firm's team of professionals across the UK and Europe.

INVESTMENT STRATEGY

Harrison Street's strategies are focused on alternative real assets, and in Europe, the firm specifically targets opportunities in life sciences, specialty residential, and education investments. These are highly-fragmented, supply constrained asset classes that Harrison Street believes have attractive, high growth and defensive demand drivers. Building on the deep experience and longevity of its European team, the firm has superior access to a network of leading universities, healthcare systems and specialty operators.

SELECTED FUNDS

Harrison Street European Platform

Harrison Street's European platform seeks to deliver capital appreciation through development and other value creation activities in alternative real estate in the UK and Europe.

TOP DEALS 2022

1 Build-to-rent development (UK) - Harrison Street successfully refinanced The Lexington, a flagship build-to-rent property with 325 units in Liverpool, UK.

2 Build-to-rent development (Spain) - Harrison Street formed a joint venture to develop a build-to-rent residential housing across Spain, with an initial portfolio of 441 units across two properties in Seville.

3 Build-to-rent development (Ireland) - Harrison Street formed a joint venture to acquire and develop a 554-residential-unit BTR multi-phase development at East Road in Dublin, Ireland.

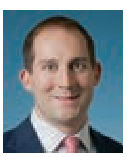
AWARDS

Harrison Street has been awarded Best Places to Work by Pensions Investments for eight years (2014-2020, 2022). The firm has won multiple awards from PERE, including five for the 2022 Awards: Alternatives Investor of the Year - Global, Industry Figure of the Year - Global, Residential Investor of the Year - Global, Data Centers Investor of the Year - Global, and Residential Investor of the Year - North America. In addition, Harrison Street received the Best in Building Health Award for four consecutive years (2020-2023).

REAL ESTATE TEAM

Paul Bashir
CEO – Europe
As Chief Executive Officer of Europe, based in London, Paul leads the expansion of Harrison Street's European strategies and is responsible for overseeing and growing the Firm's team of professionals across the UK and Europe. He is a member of the Firm's Investment Committee.

Albert Yang
Head of Investor Relations – Europe
As Head of the European Investor Relations group, based in London, Albert is responsible for capital raising and client service of investors located in Europe and the Middle East, as well as leading the product development of European strategies. He is a member of the Firm's Investment Committee



Josh Miller
Head of Transactions – Europe
As Head of the European Transactions group, based in London, Josh oversees sourcing and management of investments and relationships with operating partners. In addition, he is responsible for the development of the European Transactions team and investment strategies.

CONTACT DETAILS

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20 St. James's Street,
London SW1A 1ES
United Kingdom
+44.203.925.0310
www.harrisonst.com
www.linkedin.com/company/harrison-street

59 UBS Asset Management

STATUS: Non-listed
HEAD OFFICE EUROPE: Zurich
CEO/HEAD RE EUROPE: Jon Hollick
WEB ADDRESS: www.ubs.com
TRANSACTIONS 2022 (EUROPE): €1,490
ACQUISITIONS 2022 (EUROPE): €825
DISPOSALS 2022 (EUROPE): €665
SECTORS:

60 Oval Real Estate

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: James Craig/ Nick Prior
WEB ADDRESS: www.ovalrealestate.com
TRANSACTIONS 2022 (EUROPE): €1,487
ACQUISITIONS 2022 (EUROPE): €1,177
DISPOSALS 2022 (EUROPE): €310
SECTORS:

61 Alphabet Inc

STATUS: Listed
HEAD OFFICE EUROPE: Dublin
CEO/HEAD RE EUROPE: Joe Borrett
WEB ADDRESS: www.google.com
TRANSACTIONS 2022 (EUROPE): €1,484
ACQUISITIONS 2022 (EUROPE): €1,484
DISPOSALS 2022 (EUROPE): €0
SECTORS:

62 Cuscaden Peak[2]

STATUS: Non-listed
HEAD OFFICE EUROPE: Singapore
CEO/HEAD RE EUROPE: Chua Chi Boon
WEB ADDRESS: www.cuscadenpeak.com
TRANSACTIONS 2022 (EUROPE): €1,481
ACQUISITIONS 2022 (EUROPE): €1,481
DISPOSALS 2022 (EUROPE): €0
SECTORS:

63 Singapore Press Holdings[2]

STATUS: Listed
HEAD OFFICE EUROPE: Singapore
CEO/HEAD RE EUROPE: Gerald Yong
WEB ADDRESS: www.sph.com.sg
TRANSACTIONS 2022 (EUROPE): €1,481
ACQUISITIONS 2022 (EUROPE): €0
DISPOSALS 2022 (EUROPE): €1,481
SECTORS:

64 Oaktree

STATUS: Listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Ben Bianchi
WEB ADDRESS: www.oaktreecapital.com
TRANSACTIONS 2022 (EUROPE): €1,465
ACQUISITIONS 2022 (EUROPE): €1,465
DISPOSALS 2022 (EUROPE): €0
SECTORS:

65 AMF Pension

STATUS: Non-listed
HEAD OFFICE EUROPE: Stockholm
CEO/HEAD RE EUROPE: Tomas Flodén
WEB ADDRESS: www.amf.se
TRANSACTIONS 2022 (EUROPE): €1,451
ACQUISITIONS 2022 (EUROPE): €0
DISPOSALS 2022 (EUROPE): €1,451
SECTORS:

66 CK Asset Holdings

STATUS: Listed
HEAD OFFICE EUROPE: Hong Kong
CEO/HEAD RE EUROPE: Victor Li
WEB ADDRESS: www.ckah.com
TRANSACTIONS 2022 (EUROPE): €1,449
ACQUISITIONS 2022 (EUROPE): €0
DISPOSALS 2022 (EUROPE): €1,449
SECTORS:

67 Adler Group SA

STATUS: Listed
HEAD OFFICE EUROPE: Berlin
CEO/HEAD RE EUROPE: Thierry Beaudemoulin
WEB ADDRESS: www.adler-ag.com
TRANSACTIONS 2022 (EUROPE): €1,434
ACQUISITIONS 2022 (EUROPE): €0
DISPOSALS 2022 (EUROPE): €1,434
SECTORS:

68 Santander

STATUS: Non-listed
HEAD OFFICE EUROPE: Madrid
CEO/HEAD RE EUROPE: Luis García-Izquierdo
WEB ADDRESS: www.santanderassetmanagmen-et.com
TRANSACTIONS 2022 (EUROPE): €1,421
ACQUISITIONS 2022 (EUROPE): €409
DISPOSALS 2022 (EUROPE): €1,012
SECTORS:

DEAL VOLUMES ARE PRESENTED IN €MLN

PROPERTY TYPES OFFICE RETAIL LOGISTICS RESIDENTIAL HOTELS ALTERNATIVE

DATA SOURCE: PROPERTYEU RESEARCH / MSCI REAL ASSETS

69 Perial

STATUS: Non-listed
HEAD OFFICE EUROPE: Paris
CEO/HEAD RE EUROPE: Dimitri Maillard
WEB ADDRESS: www.perial.com
TRANSACTIONS 2022 (EUROPE): €1,419
ACQUISITIONS 2022 (EUROPE): €1,419
DISPOSALS 2022 (EUROPE): €0
SECTORS:

70 Columbia Threadneedle

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Peter Stone
WEB ADDRESS: www.columbiathreadneedle.com
TRANSACTIONS 2022 (EUROPE): €1,409
ACQUISITIONS 2022 (EUROPE): €532
DISPOSALS 2022 (EUROPE): €877
SECTORS:

71 Deutsche EuroShop AG[3]

STATUS: Listed
HEAD OFFICE EUROPE: Hamburg
CEO/HEAD RE EUROPE: Hans-Peter Kneip
WEB ADDRESS: www.deutsche-euroshop.de
TRANSACTIONS 2022 (EUROPE): €1,400
ACQUISITIONS 2022 (EUROPE): €0
DISPOSALS 2022 (EUROPE): €1,400
SECTORS:

72 Otto Group[3]

STATUS: Non-listed
HEAD OFFICE EUROPE: Hamburg
CEO/HEAD RE EUROPE: Alexander Birken
WEB ADDRESS: www.ottogroup.com
TRANSACTIONS 2022 (EUROPE): €1,400
ACQUISITIONS 2022 (EUROPE): €1,400
DISPOSALS 2022 (EUROPE): €0
SECTORS:

73 Landsec

STATUS: Listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Mark Allan
WEB ADDRESS: www.landsec.com
TRANSACTIONS 2022 (EUROPE): €1,379
ACQUISITIONS 2022 (EUROPE): €0
DISPOSALS 2022 (EUROPE): €1,379
SECTORS:

74 Realty Income Corp

STATUS: Listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Michael Mire
WEB ADDRESS: www.realtyincome.com
TRANSACTIONS 2022 (EUROPE): €1,372
ACQUISITIONS 2022 (EUROPE): €1,372
DISPOSALS 2022 (EUROPE): €0
SECTORS:

75 MEAG

STATUS: Non-listed
HEAD OFFICE EUROPE: Munich
CEO/HEAD RE EUROPE: Dr Hans-Joachim Bark-mann
WEB ADDRESS: www.meag.com
TRANSACTIONS 2022 (EUROPE): €1,365
ACQUISITIONS 2022 (EUROPE): €733
DISPOSALS 2022 (EUROPE): €632
SECTORS:

76 Velero Partners

STATUS: Non-listed
HEAD OFFICE EUROPE: Berlin
CEO/HEAD RE EUROPE: Ronny Sager
WEB ADDRESS: www.velero.com
TRANSACTIONS 2022 (EUROPE): €1,360
ACQUISITIONS 2022 (EUROPE): €1,360
DISPOSALS 2022 (EUROPE): €0
SECTORS:

77 Entra Eiendom[4]

STATUS: Listed
HEAD OFFICE EUROPE: Oslo
CEO/HEAD RE EUROPE: Arve Regland
WEB ADDRESS: www.entra.no
TRANSACTIONS 2022 (EUROPE): €1,351
ACQUISITIONS 2022 (EUROPE): €1,351
DISPOSALS 2022 (EUROPE): €0
SECTORS:

78 Gjensidige[4]

STATUS: Non-listed
HEAD OFFICE EUROPE: Oslo
CEO/HEAD RE EUROPE: Geir Holmgren
WEB ADDRESS: www.gjensidige.no
TRANSACTIONS 2022 (EUROPE): €1,351
ACQUISITIONS 2022 (EUROPE): €0
DISPOSALS 2022 (EUROPE): €1,351
SECTORS:

79 Hibernia REIT[5]

STATUS: Non-listed
HEAD OFFICE EUROPE: Dublin
CEO/HEAD RE EUROPE: Tom Edwards-Moss
WEB ADDRESS: www.hiberniareg.com
TRANSACTIONS 2022 (EUROPE): €1,331
ACQUISITIONS 2022 (EUROPE): €0
DISPOSALS 2022 (EUROPE): €1,331
SECTORS:

80 Starwood Capital

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: David Matheson
WEB ADDRESS: www.starwoodcapital.com
TRANSACTIONS 2022 (EUROPE): €1,317
ACQUISITIONS 2022 (EUROPE): €717
DISPOSALS 2022 (EUROPE): €600
SECTORS:

81 Corum

STATUS: Non-listed
HEAD OFFICE EUROPE: Paris
CEO/HEAD RE EUROPE: Philippe Cervesi
WEB ADDRESS: www.corumbutler.com
TRANSACTIONS 2022 (EUROPE): €1,272
ACQUISITIONS 2022 (EUROPE): €1,272
DISPOSALS 2022 (EUROPE): €0
SECTORS:

82 BlackRock

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: John Harding
WEB ADDRESS: www.blackrock.com
TRANSACTIONS 2022 (EUROPE): €1,234
ACQUISITIONS 2022 (EUROPE): €780
DISPOSALS 2022 (EUROPE): €454
SECTORS:

83 Resolution Property

STATUS: Non-listed
HEAD OFFICE EUROPE: London

CEO/HEAD RE EUROPE: Biren Amin
WEB ADDRESS: www.resolutionproperty.com
TRANSACTIONS 2022 (EUROPE): €1,210
ACQUISITIONS 2022 (EUROPE): €0
DISPOSALS 2022 (EUROPE): €1,210
SECTORS:

84 CA Immo

STATUS: Listed
HEAD OFFICE EUROPE: Vienna
CEO/HEAD RE EUROPE: Silvia Schmitten-Walgenbach
WEB ADDRESS: www.caimmo.com
TRANSACTIONS 2022 (EUROPE): €1,200
ACQUISITIONS 2022 (EUROPE): €600
DISPOSALS 2022 (EUROPE): €600
SECTORS:

85 Unibail-Rodamco-Westfield

STATUS: Listed
HEAD OFFICE EUROPE: Paris
CEO/HEAD RE EUROPE: Jean-Marie Tritant
WEB ADDRESS: www.urw.com
TRANSACTIONS 2022 (EUROPE): €1,200
ACQUISITIONS 2022 (EUROPE): €0
DISPOSALS 2022 (EUROPE): €1,200
SECTORS:

86 HanseMerkur

STATUS: Non-listed
HEAD OFFICE EUROPE: Hamburg
CEO/HEAD RE EUROPE: Ulrich Haeselbarth
WEB ADDRESS: www.hmg.ag
TRANSACTIONS 2022 (EUROPE): €1,176
ACQUISITIONS 2022 (EUROPE): €749
DISPOSALS 2022 (EUROPE): €427
SECTORS:

87 Garbe Group

STATUS: Non-listed
HEAD OFFICE EUROPE: Hamburg
CEO/HEAD RE EUROPE: Henning Reusch
WEB ADDRESS: www.garbe-industrial.de
TRANSACTIONS 2022 (EUROPE): €1,163
ACQUISITIONS 2022 (EUROPE): €1,163
DISPOSALS 2022 (EUROPE): €0
SECTORS:

88 Aermont Capital

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Léon Bressler
WEB ADDRESS: www.aermont.com
TRANSACTIONS 2022 (EUROPE): €1,144
ACQUISITIONS 2022 (EUROPE): €0
DISPOSALS 2022 (EUROPE): €1,144
SECTORS:

89 Coima

STATUS: Non-listed
HEAD OFFICE EUROPE: Milan
CEO/HEAD RE EUROPE: Manfredi Catella
WEB ADDRESS: www.coima.com
TRANSACTIONS 2022 (EUROPE): €1,144
ACQUISITIONS 2022 (EUROPE): €851
DISPOSALS 2022 (EUROPE): €293
SECTORS:

90 Reale Compagnia Italiana

STATUS: Non-listed
HEAD OFFICE EUROPE: Milan
CEO/HEAD RE EUROPE: Achille Balossi Restelli
WEB ADDRESS: www.realecompagnia.it
TRANSACTIONS 2022 (EUROPE): €1,130
ACQUISITIONS 2022 (EUROPE): €0
DISPOSALS 2022 (EUROPE): €1,130
SECTORS:

91 Cadillac Fairview

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Jenny Hammarlund
WEB ADDRESS: www.cadillacfairview.com
TRANSACTIONS 2022 (EUROPE): €1,124
ACQUISITIONS 2022 (EUROPE): €1,124
DISPOSALS 2022 (EUROPE): €0
SECTORS:

92 Nationale-Nederlanden

STATUS: Non-listed
HEAD OFFICE EUROPE: Rotterdam
CEO/HEAD RE EUROPE: Michiel Kuipers
WEB ADDRESS: www.nnvastgoed.nl
TRANSACTIONS 2022 (EUROPE): €1,124
ACQUISITIONS 2022 (EUROPE): €0
DISPOSALS 2022 (EUROPE): €1,124
SECTORS:

93 Kapan Pensioner

STATUS: Non-listed
HEAD OFFICE EUROPE: Stockholm
CEO/HEAD RE EUROPE: Marie Giertz
WEB ADDRESS: www.kapan.se
TRANSACTIONS 2022 (EUROPE): €1,116
ACQUISITIONS 2022 (EUROPE): €1,116
DISPOSALS 2022 (EUROPE): €0
SECTORS:

94 Hillwood

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Greg Kostka
WEB ADDRESS: www.hillwoodinvestmentproperties.com
TRANSACTIONS 2022 (EUROPE): €1,111
ACQUISITIONS 2022 (EUROPE): €0
DISPOSALS 2022 (EUROPE): €1,111
SECTORS:

95 Invesco Real Estate

STATUS: Non-listed
HEAD OFFICE EUROPE: London
CEO/HEAD RE EUROPE: Anna Duchnowska
WEB ADDRESS: www.invesco.com
TRANSACTIONS 2022 (EUROPE): €1,083
ACQUISITIONS 2022 (EUROPE): €653
DISPOSALS 2022 (EUROPE): €430
SECTORS:

96 Covivio

STATUS: Listed
HEAD OFFICE EUROPE: Paris
CEO/HEAD RE EUROPE: Christophe Kullmann
WEB ADDRESS: www.covivio.eu
TRANSACTIONS 2022 (EUROPE): €1,063
ACQUISITIONS 2022 (EUROPE): €365
DISPOSALS 2022 (EUROPE): €698
SECTORS:

DEAL VOLUMES ARE PRESENTED IN €MLN

PROPERTY TYPES: OFFICE, RETAIL, LOGISTICS, RESIDENTIAL, HOTELS, ALTERNATIVE

DATA SOURCE: PROPERTYEU RESEARCH / MSCI REAL ASSETS

97 LVMH

STATUS: Non-listed	
HEAD OFFICE EUROPE: Paris	
CEO/HEAD RE EUROPE: Nicolas Bazire	
WEB ADDRESS: www.lcatterton.com	
TRANSACTIONS 2022 (EUROPE):	€1,057
ACQUISITIONS 2022 (EUROPE):	€1,057
DISPOSALS 2022 (EUROPE):	€0
SECTORS:	

98 CTP Invest

STATUS: Listed	
HEAD OFFICE EUROPE: Amsterdam	
CEO/HEAD RE EUROPE: Remon Vos	
WEB ADDRESS: www.ctp.eu	
TRANSACTIONS 2022 (EUROPE):	€1,042
ACQUISITIONS 2022 (EUROPE):	€1,042
DISPOSALS 2022 (EUROPE):	€0
SECTORS:	

99 Swiss Prime Site

STATUS: Listed	
HEAD OFFICE EUROPE: Zug	
CEO/HEAD RE EUROPE: René Zahnd	
WEB ADDRESS: www.sps.swiss	
TRANSACTIONS 2022 (EUROPE):	€1,033
ACQUISITIONS 2022 (EUROPE):	€1,033
DISPOSALS 2022 (EUROPE):	€0
SECTORS:	

100 Société Générale

STATUS: Non-listed	
HEAD OFFICE EUROPE: Paris	
CEO/HEAD RE EUROPE: Béatrice Lièvre-Théry	
WEB ADDRESS: www.societegenerale.com	
TRANSACTIONS 2022 (EUROPE):	€1,023
ACQUISITIONS 2022 (EUROPE):	€450
DISPOSALS 2022 (EUROPE):	€573
SECTORS:	

Notes

1. **BLACKSTONE**
   The total transaction figure for Blackstone Group does not include the €21 bn recapitalisation of Mileway, its European logistics platform, completed in April 2022. Blackstone said existing investors in Mileway carried out the recapitalisation alongside Blackstone's core-plus perpetual capital vehicles.

2. **CUSCADEN PEAK/SINGAPORE PRESS**
   Cuscaden Peak Pte acquired Singapore Press Holdings in March 2022. At the time of the takeover, the deal was reportedly valued at S$3.9 bn (US$2.9 bn). We report €1.48 bn for both companies, which relates to the value of the European property assets.

3. **OTTO/DEUTSCHE EUROSHOP**
   Shopping centre investor Deutsche Euroshop agreed to a €1.4 bn takeover bid by Cura Vermögensverwaltung, the investment vehicle of the Otto family, in May 2022. We list €1.4 bn as the transaction figure for both parties.

4. **ENTRA EIENDOM/GJENSIDIGE**
   Norwegian listed company Entra Eiendom acquired all the shares in Oslo Areal from insurer Gjensidige Forsikring ASA and pension fund AMF Pensionsförsäkring AB for approximately NOK 13.55 bn (€1.31 bn). The deal was first announced in December 2021 and completed in early 2022.

5. **HIBERNIA/BROOKFIELD**
   Hibernia REIT was taken over by Canadian investor Brookfield for €1.1 bn in a deal announced in March 2022. The acquisition was completed on 17 June when the company's shares were delisted from Euronext Dublin and the London Stock Exchange, and its name changed to Hibernia Real Estate Group Limited to mark the end of its status as an Irish real estate investment trust.

Methodology

This edition of PropertyEU's Top 100 Investors – Deals & Dealmakers ranks companies according to how much real estate by euro value they bought and sold during the calendar year 2022.
The ranking is based on data sheet surveys sent to hundreds of companies in April 2023 and is therefore backward looking. In the event of companies not completing the survey, PropertyEU used a combination of desk research and data supplied by MSCI Real Assets. We endeavoured to check figures with companies thereafter. In the event of doubt over any significant number provided by companies, we contacted them to verify the data. In cases where takeovers of public property companies involved a gradual bookbuild, we treated completion of the relevant takeover as the year of the transaction.
The ranking is largely based on the total value (in € mln) of real estate acquisitions and disposals. Where respondents reported figures in non-euro currencies, the euro conversion rate as at 31 December 2022 was used. The groundwork was completed by a team at PropertyEU and coordinated by Gordon Darroch. PropertyEU's Top 100 Investors Deals & Dealmakers is not to be confused with PropertyEU's Top 100 Investors AUM, which is to be published in October 2023. If your company has not yet taken part, please contact us at research@propertyeu.info.

Brookfield's aparthotel arm seeks European expansion

Edyn is looking to acquire assets in all of Europe's major gateway cities as it taps into nomadic lifestyles

BY **VIRNA ASARA**

Edyn, the hybrid hospitality platform acquired by Canadian asset management firm Brookfield in 2018, is looking to expand its operations in continental Europe and acquire assets in all of Europe's main gateway cities, according to CEO Stephen McCall.

'Our strategy is to have our brands represented in all major cities, and we are preparing a number of new openings for this year and the next,' McCall tells PropertyEU in an interview. This year, the extended stay hotel specialist plans to open in Zurich, Berlin, and London Kensington, while Lisbon and Paris are on next year's list. 'We are moving into western Europe and ideally we would like to have more than one asset in each of the big capital cities. We are also looking to enter Italy,' he adds.

Last year Edyn bought the NH hotel in London's Kensington and Chelsea district as well as the Hotel Ascot in Zurich, both planned to be operated under its lifestyle Locke brand. Contrary to most hotel operators which opt for an asset-light strategy, the firm prefers to expand by acquiring both the real estate and operating business. 'We like to own our properties, especially in key cities,' says McCall. 'This has the advantage that we get to make changes to new assets based on what we have learned from our previous projects. This way the real estate and the brand can be refined each time. Also, we are owned by Brookfield, who are one of the world's leading real estate investors, and we've been able to leverage their expertise as we've grown.'

LEISURE AND BUSINESS

The Edyn concept combines the offer of boutique lifestyle hotels with the comfort provided by the serviced apartment sector for guests staying longer. 'The beauty of our model is that we capture both leisure and business. The leisure side, for instance, is generally short stay and it has a cyclicality – it peaks in high season. By combining this with a more business-focused offering directed towards young professionals and corporate clients, who stay for longer and more consistent periods, we diversify across different revenue types meaning that we are able to reduce cyclicality and have a less volatile cash flow. We think this is a very resilient business model.'

The Edyn concept caters to short- and long-stay guests

The hybrid hospitality sector has seen significant growth in recent years, supported by evolving traveller demands and consumer trends. According to research from Savills, the supply of serviced apartment stock across Europe is set to expand by 21.2% over the next three years as the sector strives to keep up with demand.

'Stock levels are set to expand and the appeal of serviced apartments is likely to endure in line with the increasingly nomadic nature of work and the rise in the length of stays due to environmental concerns,' comments Richard Dawes, director of EMEA Hotels at Savills.

Edyn currently manages five properties in London and is planning the opening of a sixth in Kensington and Chelsea. 'We haven't seen any lack of demand,' McCall notes. 'We don't have to worry about saturation yet. In fact, we see lots of opportunities in Europe and we'd love to do the same in Paris as we did in London.'

FROM OUR DAILY NEWSLETTER

UK life sciences investment hits record

Investment into life sciences real estate in the UK's 'golden triangle', the area spanning London, Cambridge and Oxford, totalled over £496 mln (€564 mln) in Q1 2023, according to Knight Frank. The figure represents the highest Q1 investment total on record for the sector and the best quarter since Q4 2021. London took the lion's share of investment activity, at 79%.

Kao Data to invest €400m in Manchester data facility

UK data centre specialist Kao Data plans to invest £350 mln (€400 mln) in redeveloping a site in Manchester for a new 40MW data centre. The 39,000 m² ex-industrial site will be powered by 100% renewable energy, with plans to launch operations in late 2025.

Stoneweg gains banking group as new shareholder

Swiss-based real estate investor Stoneweg has gained a new minority shareholder in the form of family-owned private bank CBH Compagnie Bancaire Helvétique. CBH has acquired a 16% stake from Icona Capital, which still holds shares in the firm.

LCN lands 11-asset showroom portfolio

LCN Capital Partners has acquired a portfolio of Motor-Car Group showrooms in Slovakia and the Czech Republic from Wiesenthal Autohandels. The portfolio, which comprises 11 assets, is being entirely leased back to Motor-Car under a long-term, triple-net lease agreement. Financial details were not disclosed.

Read more on www.propertyeu.info

Nuveen picks self-storage to seed value-add strategy

The asset manager is eyeing further acquisitions and may also go down the development route, while targeting up to €500 mln of equity by year-end

BY **VIRNA ASARA**

Nuveen, the investment management arm of financial services firm TIAA, is spreading its wings in the European self-storage market with the acquisition of a four-asset portfolio in the UK.

The deal – which follows Nuveen's purchase in 2021 of two major self-storage platforms in Sweden – is in line with the company's strategy to expand in the sector across Europe, says David Pearce, head of Nuveen's European value-add strategy.

'We are exploring and looking at various opportunities across Europe because self-storage is one of our key conviction themes in the value-add space. We are focusing on the most emergent markets in Europe where there are less than 10 self-storage stores per million people, including Spain, France and potentially Germany. This figure compares to 149 stores per million people in the US.'

The firm sees self-storage as one of the most attractive sectors given the significant under-supply of modern space, its resilience in times of volatility, and the scope to generate value through scale. 'Nuveen Real Estate as a house has always liked the self-storage market and has been investing in this space for over 20 years in the US. It currently manages a $3 bn+ portfolio globally,' notes Pearce. 'Europe remains significantly under-supplied versus the US, and it is dominated by small businesses which makes it difficult to grow quickly, but at the same time this means there is a premium in gaining scale.'

'We are targeting income-producing assets and we can pick development to further enhance returns'

David Pearce

In the UK, the firm recently bought four assets from Easistore and will partner with a major UK operator, Storage King, to manage the properties which comprise 240,000 ft^2 (22,300 m^2) of space across the south-east of England, in Crawley, Edenbridge, Maidstone and Tunbridge Wells.

The portfolio was put on the market during 2022 after the vendor received some initial off-market offers. 'We saw property values fall 20% over the last six months of 2022 and we agreed on pricing of the portfolio at the end of the year,' he notes.

Nuveen plans to undertake a number of initiatives to enhance the portfolio, including extensions at Crawley and Maidstone and a reconfiguration opportunity at Edenbridge.

Nuveen and Storage King have created a joint venture, with the latter taking a minority stake and contributing 10% of the equity capital. The operator forms part of Stor-Age, a specialised property fund focused on the sector which develops, buys and manages self-storage properties. 'The operational side of the market is a challenge,' Pearce admits, 'and as we are looking to grow across Europe, we are discussing opportunities with different operators across the continent.'

Pearce is also planning to grow the UK portfolio together with the firm's joint venture partner. 'We hope to be able to carry out new acquisitions for our value-add strategy, and potentially double the size of the portfolio over the next few years,' he notes. 'We can also go down the development route, be-

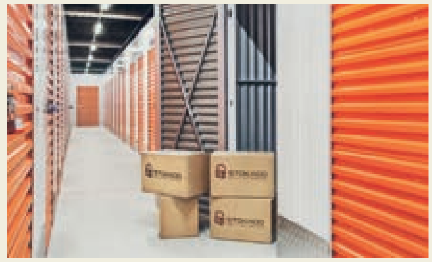
Nuveen's four Easistore assets will be managed by Storage King

Redefine and Griffin join forces in nascent Polish self-storage market

South African-based REIT Redefine Properties and private equity company Griffin Capital Partners have formed a joint venture to acquire Stokado, Poland's second-largest self-storage operator.

The move is aimed at accelerating investment and development in the sector, which is still in its infancy in Poland, and expected to grow at a compound annual growth rate of over 8% over the next three years.

Redefine and Griffin already have a history of working together in Poland in other sectors. Under the new partnership, the duo will take a majority stake in Stokado, with Griffin acting as co-owner and asset manager of the platform. The founders of the Polish firm will remain involved as minority shareholders and management team.



The JV plans to further expand Stokado, which currently operates around 3,000 units across Poland for private and B2B customers, by developing a country-wide network of modern, purpose-built facilities.

cause of a lack of existing stock.'

The UK deal represents the first investment for Nuveen's value-add European strategy which in February carried out a second closing, having obtained €450 mln of dry powder. The vehicle is planning a third close during Q2 2023, with the final closing planned by the end of the year. Pearce adds: 'We are aiming for €300-500 mln of equity, which with leverage should give us spending power of over €750 mln.' The strategy will focus on mispricing and repositioning opportunities in urban logistics, housing and alternatives mostly in the UK, France, Germany, Spain, Italy, the Netherlands and the Nordics.

Says Pearce: 'We are targeting income-producing assets and development to further enhance returns. On the one side, the strategy focuses on growth and invests in assets where underlying demand is supported by structural changes leading to stronger Net Operating Income growth. On the other side, we are looking to take advantage of the repricing currently unfolding in Europe.'

He adds:'We are beginning to see some repricing in Continental Europe but we still believe this repricing hasn't really played out yet. There is a wait-and-see mentality among vendors; most investors appreciate that yields have moved out but by how much remains unclear pending more clarity and price discovery. While not every sector will get there at the same time, we believe that towards the end of 2023 and into the beginning of 2024, we will see the best environment to invest in commercial real estate since the GFC.'

CONSUMER AND BUSINESS DEMAND

Demand for self-storage space is on the rise across Europe. The domestic use of self-storage facilities is mostly fuelled by a shortage of living space as well as increasing prices in the housing sector. Business use of this space is mostly driven by structural changes like e-commerce, with many such customers being small and local. In fact, research shows that about 60% of businesses using self-storage in the UK have fewer than three

> 'Europe remains significantly undersupplied versus the US, and it is dominated by small businesses; this means there is a premium in gaining scale'

employees. 'Self-storage really provides a solution for this type of client to store inventory close to consumers, and on more flexible terms than the retail and industrial sector,' Pearce points out.

Other sector strengths are the flexibility of rental contracts and the granularity of income. Explains Pearce: 'The short-term contracts mean the sector is a good inflation hedge and you have the ability to increase rents quite regularly. Also, the income mix is very diverse and this gives resilience, alongside the fact that the market has shown great stability during the GFC and the pandemic by being able to maintain high occupancy ratios throughout periods of economic stress.'

From an environmental point of view, investors point to the low carbon footprint of the assets. 'Self-storage facilities generally use little power and are easily suited for PV panels. This means it is relatively easy for these assets to achieve net zero carbon,' Pearce concludes. ■

UK self-storage industry to exceed €1b turnover for first time in 2023

The UK self-storage industry is set to surpass £1 bn (€1.1 bn) in annual turnover for the first time in 2023, according to a new report from Cushman & Wakefield and the Self-Storage Association UK.

The upbeat forecast comes after self-storage companies' revenues increased by 6.5% to £990 mln last year, demonstrating that the cost-of-living crisis did not curb consumers' need for more space.

With an estimated 2,231 self-storage facilities, the UK has the most space per capita in Europe. The entire amount of storage space increased by 185,806 m² in 2022, bringing the total to 5.1 million m². The overwhelming number of customers were domestic (82%), while the rest were business users (19% retail and 16% professional services).

The average rental rate increased by 4% last year to £2.53 (€2.90) per m² per year.

Breaking the ice on greener rinks

Ondrej Nepela Arena, home of HC Slovan Bratislava

Real estate investor Eric Assimakopoulos is on a mission to put something back into the game he loves in an ESG-friendly way

BY **ROBIN MARRIOTT**

Why would a real estate magazine report on ice hockey?

Seldom do arenas change hands between professional investment firms in big-ticket transactions – and for good reason. Often run under the ownership/partnership model of local authorities and clubs, ice hockey arenas are notoriously costly to maintain. They act like giant refrigerators, thus consuming large amounts of energy and are not deemed environmentally friendly with significant heat wastefulness.

But this perception may be about to change if Eric Assimakopoulos has anything to do with it.

The founder and CEO of private European real estate firm, Revetas Capital, has for the past 30 years invested primarily in the hospitality, mixed-use, residential and logistics sectors from Germany, Poland and Belgium to Slovakia, the Czech Republic, Bulgaria, and Serbia.

Now, alongside his traditional real estate activities, he is working up a strategy to retrofit, upgrade, modernise and build new hockey facilities across Europe that meet ESG targets. If successful, it will be a labour of love for the hockey-loving real estate professional, whose passion for the sport stretches way back to his youth in America.

Assimakopoulos fell in love with the sport while growing up in New York and played it well, helped by a strong physique. A moment that sticks out for him was the 1980 Olympic Winter Games when the US as host nation upset the form guide by beating four-time defending champion, the Soviet Union, in a game famously dubbed the Miracle on Ice. The US went on to win gold against Finland in the final.

REAL ESTATE CAREER

Assimakopoulos went on to carve out a successful real estate career, starting out in the US.

He partnered with Morgan Stanley Real Estate Funds (MSREF) to form Metronexus, a technology-driven real estate investment fund and MSREF portfolio company. Under his leadership the fund acquired and developed over $300 mln of property comprising 3 million ft^2 in the US & Europe.

In 2002, he led the acquisition of several major sale-and-leaseback transactions with the Belgian ministry of finance and Tenovis, a KKR portfolio company.

In time, real estate investing led him to move to Slovakia. He has spent the majority of the last 23 years in Europe orchestrating real estate deals all over Central & Eastern Europe.

But he kept his 15-year association with hockey and was a major shareholder of professional Slovakian ice hockey club, HC Slovan Bratislava, from 2006 to 2015.

He was once asked to participate in sponsoring a charity match coached by legend Stan Mikita and organised by Peter Šťastný (Peter the Great), both Slovak ice hockey Hall of Famers.

He then got the chance to own HC Slovan Bratislava, who play at the 10,000-capacity, Ondrej Nepela Arena, a 1940s arena that under his watch was fully reconstructed in 2009 together with the city of Bratislava, adding two training surfaces during the major upgrade. The arena hosted the 75th IIHF

Eric Assimakopoulos in action with HC Slovan Bratislava

‘There’s a lack of investment into sporting facilities. I want to make an impact from a net zero position and do it within a sector that’s not being addressed’

World Championship in 2011. The venue has a training hall with two ice hockey areas and an underground carpark for 372 cars. A DoubleTree by Hilton hotel operates next to it.

Under his stewardship, Slovan Bratislava won the national championship three times and remains the only team in the country to win back-to-back titles. Further raising the team’s profile, he helped organise several eye-catching events including exhibition matches against the likes of Stanley cup champions, Tampa Bay Lightning of the NHL in 2008. It was the first-ever NHL exhibition game in Slovakia, and therefore an historic event.

In 2011, the NY Rangers played Slovan Bratislava in a match billed as the NHL versus Europe in the newly reconstructed arena in Bratislava.

CHARITY MATCHES

Via the old boy hockey network and his connections with the professional game, Assimakopoulos played in legends games, including the first-ever game in Moscow’s Red Square and a Hockey Hall of Fame event in Toronto in 2008. He found himself touring

World’s biggest ice hockey arenas and teams – a quick guide

The largest ice hockey arena in the world is the 22,114-seater Bell Centre in Montreal, Canada, which is home to the famous Montreal Canadiens known as the Habs, who play in the NHL.

The record attendance for a hockey match anywhere in the world was a college game in 2010 when 109,000 fans turned out to watch the University of Michigan play Michigan State. But that was on an ice rink temporarily constructed in the middle of an American football field at Michigan Stadium. Most of the world’s largest actual hockey arenas are either in Canada or the US and hold just under 20,000 spectators.

In Europe, the biggest venue is the Lanxess Arena in Cologne, Germany, where Kölner Haie plays in the top German league. The arena bears the name of a Cologne-headquartered chemical group which recently agreed to sponsor the stadium, with a capacity to seat 18,500 hockey spectators, and more for concerts. It is also used for handball and Ultimate Fighting Championship (UFC) and is said to be among the top 10 most-used arenas in the world.

Showing that such arenas do sometimes attract third-party investors, in 2015 Chinese investment firm, Junson Capital, along with Korean JV partner, Mirae Asset Global Investments acquired the stadium for €440 mln. The deal included an adjacent complex containing car parking, training ground, and offices, some of which are used by the city of Cologne.

The Lanxess Arena is the largest hockey venue outside of North America. The second-largest ice hockey arena in Europe is the O2 Arena in Prague, which can hold 17,360 and is home to HC Sparta Prague, as well as hosting concerts and other tournaments. It is owned by Bestsport Arena.

The third-biggest hockey stadium is the PostFinance-Arena in Bern, Switzerland, owned by Swiss Prime Site Group, which bought the arena in 2007 and expanded it to become a modern ice hockey stadium while also developing a five-storey office building that is leased to mail courier, Swiss Post.

Ice hockey is a professional game in most European countries. Indeed, it is easier to list those without a professional league – Portugal being one of the few.

There are six recognised ice hockey superpowers – multiple winners Canada and Russia, who have 27 titles each, plus the Czech Republic, Finland, Sweden, and the US. In Sweden and Finland, where the game is huge, it appears that even towns of just 5,000 inhabitants have an ice hockey rink.

In Finland, ice hockey is almost a religion. In May, the country co-hosted the Hockey World Championship with Latvia organised by the International Ice Hockey Federation (IIHF). The event was played at two arenas – the 13,455 capacity Nokia Arena in Tampere, Finland, and 573 km away at the Arena Riga in Latvia, which can accommodate 10,300.

The popularity of the game in any given country can be linked to a variety of factors – from whether the NHL is available on TV and how many local players make it there, to the availability of qualified coaches, to how well the national team is doing in football, plus access to ice rinks to play on at grass roots and for the professional teams.

PostFinance-Arena in Bern, Switzerland

Tech innovation: cracking the secrets of ice

In an article by Exploratorium.edu.com, it is said that at the start of each hockey season, arenas use an advanced refrigeration system which pumps brine water via pipes through a large slab of concrete – the ice slab.

When the ice slab is cold enough, layers of water are sprayed on top, which freeze as ice. The first few layers can be painted with team colours and adverts. These layers are then covered with up to 10 more layers of water ice. Apparently, once complete, it is still only one inch thick but strong enough to support a basketball court or concert stage on top of it.

New techniques have enabled people to even make ice rinks in the desert – anywhere really.

In one YouTube video, the narrator explains how an expert company is using specially designed plastic tubing that is rolled down flat onto a surface The ice mats are filled with a special anti-freeze agent that appears pink in colour that will later be painted over as white.

According to the video, normal water would freeze solid and expand, which would split the tubes. So, they don't use water. Instead, they use glycol because it remains in liquid state even if chilled below zero degrees. In other words, it can become very cold without becoming a solid.

A chiller machine then turns the temperature of the glycol well below zero. It is fed into the plastic pipes. Next, copious amounts of water are sprayed onto the pipes – in the region of 50,000 litres of water at 10 degrees which gradually gets frozen by the tubes into ice without any air bubbles. New layers of water are sprayed up to 30 times over to reach the desired thickness.

It turns out that ice that is made with hot water leads to smoother ice without bubbles. But hot water requires much energy to heat, then freeze it, hence leading to environmental issues.

Some tech solutions are being supplied by companies such as REALice that use unheated water to resurface ice rinks.

This company claims to reduce an arena's natural gas usage by 79% and electricity consumption by 12% without sacrificing ice quality. The benefits the company claims to bring also show how high maintenance comes with ice rink management: they need dehumidifiers running many hours, you get rust on structural beams, the ice needs cleaning, you get condensation in the arena, a lot of water is used and wasted, and equipment doesn't always last a long time.

Lanxess Arena in Cologne, Germany

'The strategy is to take my skills and real estate experience to work together with the leading ice hockey federations in various countries together with EU funds for sports education and green initiatives'

across Canada playing in charity matches. He says: 'It has been really exciting to support good charities and to support the legends because some of these guys didn't make the kind of money that the athletes make today on their own.'

GREENER RINKS

He has the hockey bug. Now as an experienced real estate investor, he wants to put this and his passion for the sport to good use by creating more rinks with ESG credentials.

'I always want to find ways that I can combine my passion for real estate together with my passion for sports. And if we can put together a strategy to build more energy-efficient ice rinks and rebuild others together with the EU and leading European hockey countries, that would be a pretty exciting achievement.'

But is the game growing in Europe?

'It's a good question,' says Assimakopoulos. 'I know the ambitions and specifically I know the ambitions of the Slovak Ice Hockey Federation, which is run by legendary NHL player, Miroslav Šatan. They have announced a charter that they would like to develop additional rinks around the country.'

Slovakia has 77 indoor ice surfaces and 27 outdoor rinks, according to Statista.

Explains Assimakopoulos: 'The ice is a really important component, and they cannot grow the sport with existing surfaces. What does that mean? It means that they need more ice surfaces in Slovakia, but it is not easy to do.

'If they build new ice surfaces, they need to be – and should be – carbon-neutral or energy-efficient and have a low carbon footprint. And one of the ways you can achieve more ice surfaces is if you can build one next to an existing rink.

'For example, you can attach a practice rink next to an existing rink so that they can both benefit from using the same technology that you have for the big rink.

'If you look, for example, at our stadium where we had the World Championships, we built two surfaces next to the main arena that utilise the same infrastructure. So that's one way you can both add new surfaces and retrofit existing equipment to comply with the environmental part of ESG.'

Although advances in technology have brought new icing techniques *(see panel on tech innovation)*, managing large-scale rinks remains a high-maintenance, high-cost business. But this will not put off Assimakopoulos: 'Our thinking process is as a real estate investor that focuses on ESG in building offices and shopping centres. There is a lack of investment into sporting facilities. I want to make an impact from a net zero position and do it within a sector that's not being addressed,' he says.

'Old rinks around Europe are very heavy on carbon. With ESG playing a more important role in sports, I believe there's a real opportunity to look at retrofitting, upgrading, modernising, and building new skating facilities that will meet the carbon-neutral standards that we're trying to achieve around the world.'

Are ice hockey arenas profitable?

In the year 2000, an article appeared in The Edge Magazine called 'Ice Rinks as Money Makers'. Private ice rink owner Tom Reges wrote: 'The only thing you really need to run an ice rink successfully (though not necessarily profitably) is lots of money. That money can come from wealthy investors, non-profit organisations, or taxpayers. Only rarely does it come from actual profits generated by operation of the rink. There are profitable rinks, but they are few and far between.'

According to the author, there is one common thread among profitable rinks: they have either low or no debt service. Wrote Reges: 'If you question whether debt service is a key element in a successful ice rink, look at the financial problems facing many new rinks.'

'It doesn't matter whether they are privately owned or government owned. Debt service is a constant, unbending payment that cannot be avoided.'

He said there was a boom in new ice rinks in the US just like in the 2000s. The boom was followed by a bust. The result was empty ice rinks that got turned into indoor soccer facilities or warehouses or municipal centres. Now is the honeymoon period for new rinks.'

PUBLIC-PRIVATE PARTNERSHIPS

Will he concentrate on Slovakia, or could the strategy be pan-European? Pan-European, he says.

Explains Assimakopoulos: 'The strategy is to take my skills and real estate experience to work together with various countries, the leading ice hockey federations in those countries together with EU funds that the EU has allocated to invest into sports education and also into green initiatives via the Green Deal.'

He elaborates: 'I would say from my perspective, this is something that I believe in, that I believe should happen, it will happen. With our experience we can help make it happen because we're very passionate about real estate. We're passionate about our ESG initiatives, and we're passionate about sports.'

The public-private finance approach will be geared towards ESG aims such as assisting sporting clubs to lower energy costs and influence fan behaviour to travel to games using environmentally friendly modes of transport.

And, he believes a financial return can be achieved. Energy-saving initiatives could be recuperated from the arena or the owner of the arena in some partnership form, which might also benefit from subsidies guided by the EU. In 2020, a new rink in Finland claimed to be the world's first zero-energy ice hockey arena. The facility in Äänekoski generates excess energy used to heat a nearby school and swimming hall. It attracted green financing from MuniFin, one of the country's largest credit institutions.

Antti Virmanen, CEO at Proavera, a company behind the project, said in an article in 2000: 'I have a feeling that green energy will soon be used all over the country. Almost

Ondrej Nepela Arena in Bratislava, Slovakia

A Finnish ice hockey fan in London

There is more than one real estate professional in Europe whose love for hockey has led to ownership involvement. Pertti Vanhanen, former co-global head of real estate at Aberdeen Standard Investments (now called Abrdn) and currently MD Europe of Cromwell Property Group, recently participated in a consortium to rescue Finnish club, Savonlinnan Pallokerho (SaPKo).

Founded in 1929, SaPKo plays its games at the 2,833 capacity Talvisalo rink and has plenty of heritage having once played in Finland's top-flight league, and its second-tier Mestis league. It has also won the Finnish cup three times.

However, the club has since fallen on hard times with Covid being the last straw, culminating in filing for bankruptcy in June 2022. A rescue consortium was put together of which former 1980s Rams player, Vanhanen, was a part of. Speaking to local press about his involvement with the Rams, he said: 'SaPKo's significance for Savonlinna is enormous. You can understand how amazing SaPKo is when you're out there.' Apparently, Vanhanen's father used to take him to SaPKo games. 'Hockey and SaPKo have been a big part of my life and will continue to be. I'm damn proud of it,' he said.

Pertti Vanhanen

As a kid he learned to skate on the ice of lake Koijärvi in Toroppala. 'In the dark, we sometimes had to dig pucks out of the snow in the lights of passing cars.'

He is supporting the club from his home in London on SaPKo's finance and marketing committees where his career running property businesses will surely help.

'People need to be proud of SaPKo, both in good and bad moments. It's great to see in American university cities how game day is reflected in jerseys at the checkouts of shops, for example. The game is an event that unites people. Together we get the better of it and together we win. It's a big opportunity. This is one way we can put the S in ESG into action.

'Hopefully, the community, the business community and the city will understand that we are creating something positive and big from scratch.'

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every time I'm on a hockey trip someone tugs at my sleeve and asks for advice, and I think that's a great thing.'

Revetas' Assimakopoulos agrees. 'The technology exists to reduce emissions. There's heat recapture whereby heat can be redistributed to other areas of the arena, for example. There's a lot of green ice technology that has been developed, and that's being implemented. But it's not something that I think people are generally aware of.

'Some new rinks I've seen have implemented some of this technology, and with LED lighting, for example. That said, there's a lot of things that we are using on a day-to-day basis that just hasn't been addressed in sports venues in a meaningful way yet.

'Also, it's about more than technology. It is also just awareness. Fans come to arenas and use plastic cups and spoons versus something that's recyclable. That's just education.'

> 'With ESG playing a more important role in sports, I believe there's a real opportunity to look at upgrading and building new skating facilities that will meet carbon-neutral standards'

INITIAL MOVES

So, is Assimakopoulos already making moves?

'We have started some discussions including with ice hockey federations that are focused on youth development and growing the passion for the sport,' he says.

'I think there's been very positive feedback. The challenge comes from admission costs and how you gain support from local government or local municipalities. There's some complexity. My starting point is to create a framework and to share that vision.

'Then you have to work with a team together with a federation, eventually down to municipalities to share the vision that enables us to develop a programme where there's a return and a benefit.'

He is prepared to be patient. 'I expect the strategy to materialise over some years. It's not something that happens overnight. It's something that we've been working a lot on already for years. And we'll take a couple more years before we have the right framework.

'It's like all things. It takes commitment, patience, and an undying focus. The work that Revetas Capital does in Central Europe has been over 20 years now. And it's still a challenge to educate people about the benefits of the market. So, I would say to you that it continues to be a full-time, long-term strategy and vision.'

He concludes: 'I've been committed to hockey for many years, and I've been looking for a way that I can be helpful. To the extent that the desire is there, I can assure you that our commitment will be there. And like all things, I'm not looking for a quick victory. This is something that's going to take time and we're going to take the time to help make it happen.' ■

M7 stays on income-focused track, eyes European expansion

Despite the changing fortunes of office, retail and logistics real estate, the firm is still finding success with a strategy that straddles a range of asset classes

BY **ISOBEL LEE**

David Ebbrell, one of the co-founders of pan-European investment firm M7, is preparing to shoulder full management of the company following the exit of erstwhile partner Richard Croft.

In February, Croft announced plans to step down as executive chairman of M7, after 14 years of building the business with what he has described as 'a group of friends'. Ebbrell, M7's CEO and one of the firm's co-founders, has taken over full management of the company as of 1 June. Supported by the remaining six members of the M7 leadership team, Ebbrell will be charged with leading M7 through the coming cycles, although Croft will remain associated with the company as a senior advisor. He remains on the General Partner boards of M7's discretionary funds. His departure comes just over two years after Canadian multinational Oxford Properties acquired M7, in January 2021.

For Ebbrell, it's business as usual at M7, focusing on 'income from commercial property', as he tells PropertyEU.

'The focus hasn't shifted at all,' he notes. 'M7 set out its stall as a specialist manager of multi-tenanted properties across Europe, to look at mispriced opportunities, and primarily looking at income first. We're still aiming to be a nimble platform and still trying to find interesting real estate opportunities to fit with our long-term capital.'

This relatively asset class-agnostic approach has seen the company buy offices, retail warehouses and logistics properties over the years. But does Ebbrell still feel the same way about all three property types, in the light of recent seismic shifts in the economic and occupier landscape?

'Retail warehouses in the UK are at around 96% occupancy, compared to 98% for logistics, so we see strong, durable cashflows for investors, with potential for growth'

David Ebbrell

'Our approach has been about the structural support from the occupiers for each of these strategies and the fundamentals of each individual asset,' he says. 'Retail warehousing is an interesting part of the supply chain, and although some people want to lump it together with retail real estate, we actually see a lot of parallels between retail warehouses and logistics. Of course, it also remains a very valid asset class where physical sales continue to move forward, and that's somewhere we see demand as being still very strong. There are very low levels of vacancy in the UK, retail warehouses are at around 96% occupancy, compared to 98% for logistics, for example, so we see strong, durable cashflows for investors, with potential for growth.

'Our focus over the last 24 months has been on trying to buy best-in-class retail parks, which have cross-functionality in both being a place not only for physical retail, but also allowing for click-and-collect fulfilment.'

THE FUTURE OF WORK

Ebbrell acknowledges that the landscape has shifted somewhat for office real estate, but feels that the asset class still has a future. 'Not all offices are the same,' he notes. 'We started investing in offices around 2015, and understanding the different occupier dynamics has always been the key to M7's strategies. Offices remain the backbone of corporate life, how businesses thrive, and in London for example we are starting to see a bigger percentage of people in the office rather than out of the office. Offices are being used in a different way to pre-Covid, but we see some similarities. Our first office investments were in the Netherlands, where flexible working, maybe three days a week, was already common. That has given us some interesting data points for the current cycle across other geographies.

'However, there are structural issues around the asset class we are monitoring. The importance of ESG factors means looking closely at the state of a building and what it will need to remain occupied beyond the current lease term. Tenants today have complex requirements not only around flexible leases but also the quality of spaces, so that requires

Clockwise from top left: A warehouse asset in Acre Road, Reading, UK; Bolton Gate Retail Park, Bolton, UK; a retail park at Corbeil-Essonnes, Paris, France; Gapton Hall Retail Park, Great Yarmouth, UK; a logistics asset at Carrer d'Aragó, Barcelona, Spain

careful asset management. However, overall, our experience of the occupier market is not directly connected to the capital market perception. The office is not dead.'

Logistics and last mile are perhaps a clearer proposition. 'The way that goods are distributed to customers has changed significantly, accelerated by Covid, and we continue to believe in that as a strategy. Some 60% of our assets are urban logistics and warehouses, across the territories of the UK, Netherlands, Spain, Ireland, Portugal, Denmark, France, Germany, Croatia, Hungary and Poland. So we get a very interesting view and data from an occupier perspective thanks to that range.'

OCCUPIER DYNAMICS

Ebbrell notes that demand remains strong across each of those markets. 'Tenants don't have enough space, they keep paying their rent, and are looking to partner with us for the long term. We have had many more strategic conversations with logistics tenants than we used to in the past about lease

> 'We have had many more strategic conversations with logistics tenants about their requirements than we used to in the past – that is a considerable market shift'

events, future occupational plans – we see that they are much more strategic in general about their requirements, and conversations are happening much sooner than ever before, as they seek to foster deeper relations with landlords. That is a considerable market shift.'

Elsewhere, supply constraints also support the firm's existing portfolio. 'We are not seeing huge amounts of future developments, so that supports the fundamentals of the asset class. We believe strongly in logistics and it remains a big part of our business going forward.'

Looking at the shape of the European markets, Ebbrell says the firm would like to have greater exposure to Sweden, while the UK remains one of the more dynamic territories. 'The UK market repriced the most quickly last year, and that low point has now been worked through, with an increasing number of transactions taking place after the fourth quarter. It's an interesting market, every five years you have an open market rent review, and given the huge amounts of rental growth that we've seen, that is one of the reasons it's so strong from an income perspective.'

Finally, Ebbrell points out that the M7 office in Dubai, which it opened last year, adds an interesting capital dimension to the business. 'We are fully licensed to operate in Dubai – it's a capital raising office, and from a M7 perspective, it means that while we are out there, although we remain a part of Oxford Properties, we can continue to grow our investor base with access to Middle Eastern capital.' ■

The PropertyEU Data Sheet©

Our monthly in-house summary of recently completed deals, assets put up for sale or withdrawn from the market, recent loans, and fund launches and closes

Recently completed deals

Asset	Asset type	Location	Buyer	Vendor	Size	Price (mln)	Key facts
Suedewo Portfolio 30% stake	Residential	Baden-württemberg	Apollo	Vonovia	21,000 units	€1,000	The sale values the portfolio at €3.3 bn on a debt and cash free basis. Vonovia will continue to manage the properties.
12-14 Castiglione	Mixed	Paris	Kering Group	Choiseul REIM	8,000 m²	€600+	Kering has acquired the super prime retail, office and residential block next to Place Vendôme in a forward purchase, mainly for occupation by its Gucci brand.
Industrials REIT	Industrial	Across the UK	Blackstone	Industrials REIT	1,270 units	£498.7	Although the deal hasn't closed, Blackstone's bid has been agreed and is understood to value the company and its assets at around £700 mln, including debt, with an equity valuation of £498.7 mln. Gross rental income is £12 mln.
Multifamily portfolio	Residential	Berlin, Frankfurt, Munich	CBRE IM	Vonovia	1,350 flats	c€560	CBRE IM has exchanged contracts to buy the five newly built or almost completed buildings on behalf of several investor vehicles/mandates.
Heywood Park, Trafford Park	Industrial, Logistics	Manchester	Blackstone	Harbert Management Corp	650,000m²	£480 (€542)	Costar reported the price. The deal follows hard on the heels of Blackstone's agreement three weeks ago to buy Industrials REIT for a similar sum.
Sancroft	Office	London	Greycoat, Mitsui Fudosan	Shimao Group	28,150 m²	£315	Completion at the end of April of sale agreed earlier this year. The price paid is below the £370 mln Goldman Sachs had discussed with the vendors when it considered buying Sancroft, its former Newgate Street building, last year.
UK BTR portfolio	Residential	Ashford, Liverpool, Manchester	Starlight Investments	X1	922 flats	£225	The debut in Europe for the Toronto-based buyer which has set up a fund to acquire an initial £600 mln of UK BTR assets.
Aurora IV	Logistics	Netherlands, Spain, Italy	VGP and Pimco's VGP European Logistics 2	VGP	11 assets	€197	VGP said Aurora IV is the largest announced logistics portfolio sale to close in 2023 so far.
Warwick University development	Student housing	Warwick, UK	Blackstone's iQ Student Accommodation	Topland Vintage	1,209 beds	£160	iQ will forward fund the two-stage development which will be carried out by Topland and sector developer McLaren Property.
Italie Deux (25% stake) and Italik	Retail	Paris	Ingka Group (Ikea)	Hammerson	68,500 m²	€164	Further sale by the UK REIT to cut debt. The price represents a 4% discount to 31 December 2022 book value and a 5% equivalent yield.
27 Nordre Fasanvej	Mixed	Hovedstaden, Denmark	PensionDanmark	Coop	c113,000 m²	DKK1,000 (€134.2)	The asset comprises logistics and office and 50% of a residential project.
Akersgata 51, Tordenskiolds gate 6	Office	Oslo	NREP	Entra	N/A	€131	The deal is NREP's first office investment in Norway.
3 French assets	Office	Bordeaux, Toulouse and Meudon-la-Foret in Paris	N/A	Covivio	27,600 m²	€131	The sales closed at an average 3% above end-2021 appraisals. The assets are: the gastronomy Ducasse college in Meudon; FactorE in Bordeaux's Quai 8.2 project; and 21 Marquette in Toulouse.
Fritz Schumacher building	Office	Hamburg	City of Hamburg	PPS Immobilien	21,000 m²	€119	The city has bought back the 36 Gänsemarkt building which it had sold in 2006 and which it occupied on a lease running for another three years.
Dalby Avenue	Student housing	Bristol	KKR European Core Plus Fund	Watkin Jones	819 beds	£100+	Watkin Jones will complete the development for August 2024 when it will be fully leased to The University of Bristol on a long-term basis.

Asset	Asset type	Location	Buyer	Vendor	Size	Price (mln)	Key facts
Swedish portfolio	Residential	Skurup, Eslöv, Landskrona, Trelleborg, northern Scania and Stockholm	Stjernplan	Trianon	65,500 m²	SEK1,300 (€115)	The private buyer is acquiring 874 rental apartments from Trianon and is due to complete in two stages, partly conditional on financing. SEK150 mln of the price will be paid as shares in Stjernplan which plans to list.
Buildings 1 & 2, Greenogue Logistics Park	Logistics	Dublin	Ingka Group	KKR, Palm Capital	450,000 ft²	€100+	Ikea will run its national distribution centre from 287,000 ft² Building 2; Building 1 is let to Tosca Services and Napier Couriers.
Opus, Six Hanover Quay	Residential	Dublin	Pontegadea	Carysfort Capital	120 flats	€100+	The prime block is the Zara founder's family office's first Irish residential deal following others in the US.
Netzwerk	Office	Regensburg	HIH Invest Real Estate	Real IS	28,545 m²	c€100	HIH bought the Lilienthalstrasse 7 property for a club of German institutional investors. It's the head office of E.ON subsidiary BayernWerk Netz.
Swedish portfolio	Residential	Uppsala, Västerås and Gävle	Savills IM	K2A Knaust & Andersson	25,800 m²	€ 100	All six properties are fully-let and comprise a total 575 flats. They were bought for Savills IM's European Living vehicle.
Welink, bvd de l'Artillerie	Office	Lyon	AEW	Ginkgo, em2c	18,600 m²	c€100	AEW has bought the new building, says Costar, which is let to telecoms group ENEDIS.
5 logistics assets	logistics	UK	Tudor Investment Holdings	Workspace Group	N/A	€94	The sale price represents a 27% discount on the value of the assets.
33 Foley Street	Office	London	Pontegadea	Abrdn	42,000 ft²	£81	Costar broke the deal. The purchase price for the former BBC office equates to a 4.43% yield; it is let to Kier with circa 20 years to run on the index-linked lease.
Blaak31	office	Rotterdam	Patrizia	DWS	23,000 m²	€91	DWS bought the asset for €75.6 mln in 2017.
La Niña, Palace de Muro	Hotels	Tenerife, Mallorca	Stoneweg	Globalia Business Corp	410 rooms	€83	Like Stoneweg's other 7 Spanish hotels, the assets will be upgraded and repositioned through an international brand after this summer's season.
Ten Traffic Street	Student housing	Nottingham	Blackstone's iQ Student	Jensco	522 beds	c£70	The deal completes in June; the scheme was 99% leased on opening last year.
Phase 2b, Gallions Quarter	Residential	London	EQT, Sigma Capital	Telford Homes, Notting Hill Genesis	132 homes	£66 (€75)	The waterside build-to-rent development will have an EPC B rating.
ESC LaLiga & NBA Village	Alternatives	Madrid	Harrison Street, T3N Sport & Investment	T3N	N/A	€70+	First deal for new JV which will invest around the world in sports and residential complexes.The Madrid investment involves accommodations for 450 athletes, educational facilities and professional sports training.
InnoPlaza	Office	Vienna	ARE Austrian Real Estate	BNP Paribas REIM	18,200 m²	c€70	The LEED Platinum, multi-let office built in 2019, was acquired for BNP's NEIF II Fund.
95-101 Westenhellweg	Office	Dortmund	Andreas Deilmann Family Foundation	Union Investment	N/A	c€70	The buyer plans to refurbish the 1953 building to create 160 apartments.
Land from Caixabank portfolio	Residential land	Mérida, El Puerto de Santa María	Rusvel Gestión Integral	Lone Star-backed Coral Homes	497 homes	c€65	Lone Star bought a majority stake in the much larger Caixabank portfolio in December 2018.
Westwood Gateway Retail Parks	Retail	Thanet, UK	British Land	Capreon	270,000 ft²	£55	The deal is under offer at a price equating to 8%; they sold in 2017 for £80 mln. British Land bought three more retail parks last month.
141 Wardour Street & Bramah House	Office	London	Great Portland Estates	Canada Life	34,000 ft² & 15,700 ft²	£53	GPE paid £39 mln for the bigger, Wardour Street building which Orchard Street IM paid £55 mln for in 2018. The smaller Bramah House, acquired from Canada Life, adds to GPE's existing 'Fully Managed' campus on Bermondsey Street.
62, Munkedamsveien	Office	Oslo	KLP Eiendom	Deka	6,600 m²	NOK684 (€60)	The building, which is Clarksons HQ, was Deka's first Norwegian deal, bought for the WestInvest Gesellschaft fund.
Swedish portfolio	Residential	Växjö	Resinova Bostad	K2A Knaust & Andersson	17,960 m²	SEK650 (€57)	This is the second residential portfolio sale by the Swedish K2A this month.The Växjö portfolio comprises 261 rental flats and the yield on the price paid is 4.1%.

SOURCE: PROPERTYEU

Asset	Asset type	Location	Buyer	Vendor	Size	Price (mln)	Key facts
German portfolio	Retail	Dresden, five Bavarian towns	Greenman OPEN	Edeka	20,660 m²	€55	Supermarket chain Edeka has signed a long-term sale-and-leaseback and Greenman will install photovoltaics and electric vehicle charging.
Midpoint 460	Logistics	Middlewich, Cheshire, UK	Brookfield AM	Tesco	468,000 ft²	£45	Brookfield's second major UK logistics buy this year, following a deal with Tritax. Midpoint is sublet for two more years to discount retailer B&M.
Barratt House, 341-349 Oxford St	Retail, Office	London	Liu Chong Hing	Aviva Life & Pensions	16,200 ft	£44	The Hong Kong firm said it had taken advantage of the market slowdown to make its first UK property investment.
senior living asset	Living	Leipzig, Germany	Catella	Seebad Erholungsraum	14,000 m²	€50	The property comprises 137 apartments.
Swedish portfolio	Industrial	Helsingborg, Malmö, Jönköping, Österåker	Swedish Logistic Property	Nyfosa	55,000 m²	SEK555 (€49)	SLP said it bought the four largest properties for SEK 455 mln. The buyer(s) of the other six was not disclosed.
London Square	Office	Guildford	Sidra Capital	M&G Real Estate	133,400 ft²	£41.10	Costar says the three multi-let buildings were marketed last year for £59 mln, a 6.5% yield. This sale price equates to 9.53%.
Royal Albert Dock	Mixed use	Liverpool	General Projects, Neo Capital	CBRE IM	35,000 m²	£40	The new owners plan to add restaurants, bars and leisure concepts in the coming years.
70, Oude Lindestraat	Office	Heerlen, Netherlands	Corum Eurion	ABP	42,000 m²	€45.5	Let to APG on a triple net lease of over 16 years. Corum has also bought the 'Georgin' building in Brussels for c€30 mln from Cofinimmo.
141 Wardour St	Office	London	GPE		3,132 m²	£39	The deals are part of GPE's strategy to increase the Flex offer.
Treesquare	Office	Brussels	KGAL IM	Nextensa	6,500 m²	€43.7	The fully-let, green, Square de Meeûs building in the city's European Quarter is fully let and is for KGAL Core 4 Real Estate fund.
Towngate Business Park, Widnes and Four Oaks Business Park	Office	UK	N/A	Harworth	N/A	£36	The sale reflects a blended net initial yield of 4.7%
18 Sydhavnsgade	Office	Copenhagen	Kirkbi family office	Levring & Levring	9,500 m²	DKK300 (€40)	The buyer is the Kirk Kristiansen family who created the Lego brand. The building is let to Falck as its HQ.
six assets	Industrial	UK	Clearbell Property Partners IV	Palace Capital	N/A	€39	The sale price reflects a net initial yield of 6.2%.
Continente portfolio	Retail	Portugal	Savills IM	N/A	21,600 m²	€39	Savills IM bought the four supermarkets for its European food retail strategy that also owns assets in Netherlands, Ireland, UK, Denmark and Germany.
Duetto I and II	Office	Vilnius	ECRE IV	Baltic Horizon Fund	N/A	€37	The price is close to the latest valuation of the assets.
Butter Yard	Residential	Dublin	M&G Real Estate	Barina	42,068 ft²	£31.30	The 67 new social housing flats were bought for M&G's European Secured Property Income Fund.
2 resi buildings	Living	Finland	eQ	SRV	6,000 m²	€35	Construction of the assets should be completed in early 2025.
45 Beech Street	Living	London	HUB and Bridges Fund Management	N/A	N/A	£30	The buyers have plans to refurbish the existing building to deliver a residential scheme.
Mont-Louis Clinic	Alternatives	Paris	La Française REM	OC Santé Group	6,976 m²	c€34	The clinic at rue de la Folie-Regnault in the 11th has 159 beds and nine surgical theatres.
Senior living facility	Living	Beuren, Germany	Round Hill Capital and Auxenia RE	N/A	132 beds	€32	The residence will be operated by care facility operator Cosiq.
Beuren care home	Alternatives	Beuren, Stuttgart	Round Hill Capital, Auxenia	N/A	132 beds	€32	The buyers will expand capacity to 166 single rooms, increasing space to 9,545 m².
Hedge End Retail Park	Retail	Southampton	Aviva Investors	CBRE Global Investors	100,000 ft²	c€30	Anchored by Lidl, Aviva said the park is a defensive asset class in the macroeconomic climate.
4 storage sites	Alternatives	UK	Moorfield, Peloton Real Estate	N/A	N/A	£26	The sale reflects a 13.1% net initial yield.
El Osito retail park	Retail	Valencia	Iroko Zen	Aliseda Inmobiliaria	20,300 m²	€26.5	The asset is fully let.
Warehouse	Logistics	Leon, Spain	Iroko Zen	ASLI	32,645 m²	€18.5	ASLI acquired the asset in 2018 for €15.3 mln

Asset	Asset type	Location	Buyer	Vendor	Size	Price (mln)	Key facts
Bramah House	Office	London	GPE	Canada Life AM	1458 m²	£14	The deals are part of GPE's strategy to increase the Flex offer

Assets on the market

Asset	Asset type	Location	Vendor	Size	Price (mln)	Broker	Key facts
Center Parks	hotel	UK, Ireland	Brookfield	6 holiday villages	£4,000-£5,000	N/A	Brookfield bought the business for about £2.4 bn in 2015.
Project Blue	Office	Pan-European	Amundi	10 assets	€2,500	JLL	The New Atrium in Amsterdam is one of the 10 assets on the block, Costar said.
Dutch merchant bank NIBC	Credit	The Netherlands	Blackstone	€1.6b of loans	N/A	N/A	Blackstone bought the platform for about €1 bn. Last year, the bank issued €650 mln of CRE loans.
European portfolio	Office	Europe	Amundi	200,000 m²	€1,500	N/A	React News reported the properties are in France, Germany, Belgium and the Netherlands.
Tripolis	Office	Amsterdam	Blackstone	48,000 m²	c€500	Eastdil, CBRE, NL Real Estate	Costar says that the sale, first attempted 18 months ago, has been revived. It is seen as a test for prime office market values. De Brauw and Uber are the main tenants.
Two retail park portfolios	Retail	Belgium and Romania	Mitiska	208,000 m²	€450	N/A	Mitiska, controlled by the Belgian millionaire Luc Geuten, began analysing an exit from Romania a year ago.
Mandarin Oriental	Hotels	Paris	Mandarin Oriental group	135 rooms	€400	N/A	ReactNews reported that the owner is looking for a sale-and-manage-back structure.
Irish retail portfolio	Retail	Dublin, Waterford and others	Oaktree Capital Management	Nine assets	€400	Bannon, Cushman & Wakefield	React News says the agents are reviewing exit options for The Square shopping centre in Dublin for which Oaktree paid €250 mln in 2018. The private equity firm also owns eight Irish retail parks.
Residential portfolio	Residential	Dublin, Frankfurt, The Hague	Greystar Real Estate Partners	Three properties	€375-400	N/A	The Dublin Quayside Quarter asset is the biggest with 268 apartments, valued at €200 mln, said ReactNews.
5-7 Carlton Garden	Office	London	Tristan and Greycoat	109,000 ft²	£250	Newmark	Tenants of the Stirling Square asset include Low Carbon.
20 Canada Square	Office	London	Cheung Kei, Lloyds Bank	527,000 ft²	£250	JLL	The Hong Kong owner failed to repay the £265 mln Lloyds loan secured against the Canary Wharf tower when it matured last October, Bloomberg said. Cheung Kei paid £410 mln in 2017 and a deal to sell it in 2021 didn't go through.
50% stake in One Fitzroy Place	Office	London	Aviva Investors	241,500 ft²	£225+	N/A	React News reported the decision to sell the stake in Estée Lauder's HQ. Ashby Capital owns the other 50%. The asset also includes 200 luxury flats.
Maximo shopping centre	Retail	Rome	CPI Property Group	60,000 m²	€250+	N/A	The asset was bought by CPI in June 2021.
three offices	Office	Greater London	Federated Hermes	505,000 sq ft	£195	JLL	The Landmark portfolio includes Wimbledon Bridge House, 26-28 Hammersmith Grove, and the Chiswick Tower.
5 Churchill Place	Office	London	Cheung Kai, Lloyds Bank	319,000 ft²	£175	N/A	Lloyds has been trying to sell the outstanding £175 mln loan on the second Canary Wharf office block that Cheung Kei bought in 2017, for £270 mln. The loan matures this month.
French portfolio	Logistics	France	CBRE IM and Virtuo	Six assets	€200m+	CBRE	Costar says offers for the new-built properties are imminent.
Park Duo	Office	Munich	Zurich Group	23,000 m²	<€150	JLL	TD News reports the two Lyonel-Feininger-Str/ Parkstadt Schwabing buildings are on the market again. Last year, React News said Knight Frank was hired to attempt a sale at €150 mln.

SOURCE: PROPERTYEU

Asset	Asset type	Location	Vendor	Size	Price (mln)	Broker	Key facts
Scala House, 60 Charlotte Street	Office	London	Westbrook	36,800 ft²	<£140	N/A	The offices and residential, the site of the former Scala Theatre and Channel 4 HQ, are back on the market. Westbrook put them on the market last year and pulled them in January this year.
Hyde Park Hayes	Mixed use	London	Columbia Threadneedle	325,000 sq ft	£93	N/A	The sale reflects a yield of almost 9%.
QVC building, Chiswick Park	Office	London	Abrdn	120,000 ft²	£85	Knight Frank	Costar says the building is for sale. QVC signed a 21-year lease 10 years ago.
Forestside Shopping Centre and Foyleside Shopping Centre	Retail	Belfast and Derry, Northern Ireland	Kildare Partners	700,000 ft²	€90+	Savills	Kildare originally bought the assets for around £135 mln in late 2014.
Star City	Leisure	Birmingham	Quadrant	410,000 ft²	£65	Savills	Property Week reported that Quadrant, which bought the complex in 2016, has won consent for a 100,000 ft² warehouse and a 39,000 ft² go-karting track at the site.
Marker Residences	Residential	Dublin	IRES Reit	85 apartments	€70	Hooke & MacDonald	The luxury apartments overlook Grand Canal Dock, says React News.
Willen House	Student housing	London	Beachrock	208 beds	£60	N/A	In 2021, developer Infrastructure Investments said the Shoreditch investment would have a GDV of £100 mln when completed. Beachrock arranged debt funding with ICG.
Imperial Place	Office	Borehamwood, UK	First Property Group	220,540 ft²	£60	N/A	Costar says the four building campus is coming to market; the asking price equates to a NIY of 8.1%.
Gunnels Wood Park	Industrial	Stevenage	USS pension fund	N/A	£53.25	JLL	The price equates to a 5% initial yield.
One Tony Wilson Place	Office	Manchester	Abrdn	175,000 sq ft	£52.5	N/A	The multi let office is occupied by Auto Trader, Jacobs, and Ford
Artillery House	Office	London	The Benesco Charity	63,000 ft²	£52.5	Michael Elliott	The asking price equates to a 5.24% initial yield, Costar said. The average unexpired lease term is 3.8 years.
Ridham Dock	Industrial	Kent	Commercial Estates Group	71 acres	£45.7	DTRE	The sale reflects a NIY of 5.73%, said Costar.
42-48 Berliner Allee, 27 SteinStrasse	Office	Düsseldorf	Polis Immobilien	13,500 m²	€50+	Colliers	There are four buildings in the portfolio, TD says, which could also be sold individually.
Arena Centre	Mixed use	Dublin	Henderson Park	N/A	€45	JLL	Henderson Park acquired the asset from its Green REIT takeover in 2019.
Eurohaus	Office	Frankfurt	Adler Group	35,000 m²	€37	N/A	A sale of the asset fell through last year after the landlord wasn't able to secure a tenant. Adler is expected to bring more buildings to the market, in Hamburg and Stuttgart.
Princes Square	retail	Glasgow	Redevco	112,500 sq ft	£31	N/A	The sale reflects a yield of 7.5%
Hilton, Dublin Airport	Hotels	Dublin	Westmount Hospitality Group	180 rooms	€30+	JLL	Westmount renovated the hotel in 2020 after buying it for circa€22.5 mln.
B&Q Liffey Valley	Retail	Dublin	Aviva, IPUT	119,213 ft²	€26	Savills, JLL	The sale represents a net initial yield of 7.07%. Due to planning restrictions, retail warehouses of this size are no longer permitted.
Unit 35, Rosemount Business Park	Logistics	Dublin	Irish Life IM	91,186 ft²	€16	CBRE	The building is occupied by JD Sports on a 15-year lease, ReactNews said.

Asset sales: withdrawn or postponed

Asset	Asset type	Location	Vendor	Size	Price (mln)	Broker	Key facts
Kaufhof, Eberhardstrasse	Development	Stuttgart	Signa	N/A	€58.5	N/A	Commerz Real pulled out of investing in the forner iconic department store's conversion to offices after Deutsche Bank withdrew from leasing the development, citing a reduction in its space requirements. TD reported the City of Stuttgart now has the right to buy it.

Recently completed loans

Lender(s)	Borrower(s)	Asset(s)	Loan Size (mln)	Details
Canada Life, Barclays, Lloyds, RBS, Santander	LXi REIT	Mixed, index-linked, long-let UK portfolio	£1,299	The listed company completed a comprehensive refinancing. The eight facilities take the group's average term to maturity to six years at a capped all-in rate of 4.7%.
Bond investors	Brookfield AM	Six holiday villages in the UK and Ireland	£648	Refinancing after Blackstone put the company on the market last year without a sale so far. Two tranches with 5.9% and 6.1% interest rates, which is lower than a 7.2% rate on £440 mln of bonds that will be repaid.
ABN Amro, Credit Agricole, ING Bank, Bank of Nova Scotia, NatWest, Santander, UniCredit	AtlasEdge	Corporate facility	€725	The pan-European data centre's inaugural, large-scale debt financing including sustainability-linked targets. €200 mln of the total is an accordion facility; ING was mandated lead arranger for the syndicate.
Morgan Stanley, Credit Agricole	Blackstone	15 Spanish hotels	€680	A €475 mln senior tranche for four years at Euribor + 300 bps and €205 mln of mezzanine at 7% with a five-year maturity. Cinco Días reported the refinancing which is for Blackstone's Hotel Investment Partners vehicle.
Nordea, OP, SEB and Danske Bank	Antilooppi	Entire Antilooppi real-estate portfolio	€528	Some of the financing terms will be tied to the carbon-neutrality goals under Antilooppi's sustainability strategy.
Helaba, Berlin Hyp, Bayern LB	VIB Vermögen	45-strong German logistics portfolio	€505	Helaba led the club and underwrote €275 mln, part of which will be syndicated. The loan refinances €245 mln of existing debt ahead of maturity.
BNP Paribas, Citi, Crédit Agricole	Blackstone's Fidere	Multifamily portfolio, Spain	€440	Two-year refinancing with an optional further three years, at a cost of Euribor plus 2.5%, said El Pais.
Bank of America, Citi, Deutsche Bank	Blackstone	47-strong logistics portfolio, Sweden	€300	Cotar reported the banking club has won the mandate to finance the 357,000 m² portfolio which Blackstone bought for circa €485 mln last December.
French banks club	Carmila	Four French assets	€276	The mortgage loan secured on the assets of four of the Carrefour company's subsidiaries represents an LTV of 49.4%, matures in 2030 and priced at 175 bps over 3 month Euribor.
Intesa Sanpaolo, MPS, BNL, BPM, CDP, Deutsche Bank, BPER Banca and UniCredit	IGD	green projects	€250	The five-year green secured facility will be used to finance IGD's green projects.
Precede Capital Partners	Apache Capital, Harrison Street, NFU Mutual	Great Charles Street, Birmingham	£188	Five-year whole loan to finance the development of a £302 mln build-to-rent project, comprising 722 flats.
Erste and Raiffeisen banks	NEPI Rockcastle	CEE shopping centre portfolio	€200	Five-year green loan at 'competitive pricing' to be used to repay the RCF used to buy Forum Gdansk and Copernicus Shopping Centre in December 2022.
Caixabank	Greystar Real Estate Partners, Vía Célere	2,425 rental housing units, Spain	€197.5	The seven-year loan supports the purchase of the residential portfolio.
Barclays, HSBC, NatWest	Legal & General	UK suburban rental homes pipeline	£150	A five-year revolving credit facility to finance the creation of 1,000 family homes for rent.
Cheyne Capital	Castleforge, Gamuda Berhad	Winchester House, London	£150	Acquisition loan for £257 mln deal.
ABN Amro	Necron Group	Five logistics assets in the Netherlands	€154	The two-year loan will be used to develop the distribution centres.
LaSalle	Greystar	student housing development in Wembley	£130	The fixed-rate green loan facility will finance Greystar's acquisition and development of a 770-bed student housing asset.
BBVA, Santander, JP Morgan	Neinor	Spanish residential land bank	€140	A three-year, green facility for repaying the outstanding €143 mln of notes which cost more. The new loan, including the interest rate swap, cost 4.17%.
Pbb Deutsche Pfandbriefbank	GLP Capital Partners	Eight Polish and Czech logistics assets	€117	Investment facility to refinance the newly-built, 245,000 m² portfolio.
HSBC, Lloyds, NatWest, Santander	Bruntwood SciTech	Oxford Road Corridor, Manchester	£100	Additional green finance from existing banking group with £50 mln earmarked for development of No 3 Circle Square at the Oxford Road hub.
Barmenia Insurance, Prime Capital debt fund & others	CV Capital Partners	Aurum office, Augsburg	€100+	Multi-stage finance 'with a volume well over €100 mln' to refinance a bond and complete the Ladehofstrasse 11 new building by Q4 2024.
Deutsche Hypo	KGAL IM	Treesquare office, Brussels	N/A	Investment loan for the €43.7 mln acquisition recently completed.

SOURCE: PROPERTYEU

Funds on the market

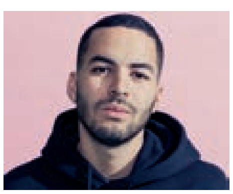
Firm	Fund	Strategy	Details
Blackstone	Blackstone Real Estate Partners X (BREP X)	Global opportunistic	Blackstone's record-breaking final close is $30.4 bn (€28.9 bn).
Blackstone	Blackstone Real Estate Partners Europe (BREP) VII	Europe opportunistic	Seventh fund targeting around €9.8 bn and a first close slated for H2 2023.
Urban Partners/NREP	NSF V	Value added Nordics and select Northern Europe markets	Final close on €3.65 bn, the largest in the NREP value add series.
Aviva Investors	Aviva Investors Real Estate Active (REALTAF)	Open ended UK Long Term Asset Fund (LTAF), a new fund type authorised by the UK FCA; private real estate assets	Aviva's UK life annuity business has contributed €1.7 bn of real estate to seed the fund opening to third party investors.
Oaktree Capital Management	Oaktree European Capital Solutions Fund (ECS) III	Debt fund for Western European hard assets including real estate and infrastructure offering finance mainly to performing mid-market borrowers	Closed on €1.2 bn.
Amundi	Real Estate European Net Zero Ambition Strategy	Mainly offices in prime locations in Western European and some peripheral markets	The net zero fund is targeting up to €1 bn.
Alliance Bernstein	N/A	Pan-European debt investing	Real Estate Capital says the US manager is targeting €1 bn for its second European debt fund.
Tristan Capital	TIPS Two Income Plus Real Estate Debt	European debt	Preparing for launch with target equity of around €750 mln.
Tritax Management	Separate account	High quality UK logistics	Unnamed global investor has appointed Tritax for a €565 mln strategy; the manager has made a debut investment.
The Carlyle Group	Carlyle Europe Realty (CER) II	Opportunistic investment strategies in developed European markets	Follow-up to a build-and-buy fund that collected €540 mln of equity at final close in 2019; Indiana Public Retirement System has committed €70.5 mln to the new fund.
Prime Capital	N/A	Pan-European debt	The Frankfurt manager is seeking €500 mln of equity for its first European debt fund, says Real Estate Capital.
Federated Hermes	N/A	Pan-European senior lending	The manager has invested in UK debt but not in Europe to date. Aims to raise up to €500 mln for the new fund.
LIP Invest, IntReal	LIP Logistics Germany V	Core logistics across Germany	The open-ended fund plans a minimum €350 mln invesment volume in 10-15 properties.
BNP Paribas Asset Management	Enhanced Real Estate Debt	European real estate finance	Aiming for around €300 mln of equity commitments for this third fund of the series.
Patrizia	Patrizia Europe Residential Plus	Pan Europe residential	Some €273 mln of equity commitments has been raised to date.
Azora	Azora European Climate Solutions Fund	Providing growth capital for smaller (up to €10 mln EBITDA) businesses that provide solutions to decarbonising the real economy	Will also work with CBRE to find opportunities; seeking to raise €250 mln.
Landsec	Landsec Futures fund	Four programmes backing education and work opportunities to deliver social impact	Landsec previously set up the £20 mln fund targeting delivery of £200 mln of social value by 2030.
Aukera Real Estate	AIFM Pandoo Management	Super-senior floating-rate loans in UK & Europe at below 50% LTVs.	A German insurance company has provided €150 mln. The fund targets institutional investors from the DACH region.
InvestiRE, CDP Real Asset	iGeneration Fund	Developing hybrid student/young worker housing in Italy	The National Fund for Social Housing, representing pension, fund and bank investors, has made a €130 mln initial investment.
Fiera Real Estate	N/A	Pan Europe, open-ended senior secured debt targeting 10%+ net internal rate of return; classified as an Article 8 fund	Has attracted £100 mln (€112 mln) of seed equity commitments.
Correios de Portugal, Sonae Sierra	CTT Imo Yield	Hold and manage CTT's real estate assets	The 10-year fund holds 398 logistics, retail and mixed-use properties in Portugal, totalling 240,000 m² and representing €105 mln of book value. Sonae Sierra is taking a 3.6% stake, while other investors, both institutional and family offices, will acquire a 26.5% stake, investing €37 mln.
Newport	Newport Logistics Fund II	Western Europe warehouses	Aiming to raise €100 mln.
PfP Capital, Scottish government	Mid-Market Rent	Affordable homes for rent development, in Scotland	Strathclyde Pension Fund has increased its commitment with another £20 mln, to £45 mln.
Primus Valor	ImmoChance Germany 12 Renovation Plus	Article 8 AIF, buying residential in medium-sized German cities for energy optimisation and sale.	Fundraising this year with an initial equity placement of €40 mln.

ULI Europe's New Real Estate Vanguard

ULI Europe's Young Leaders Group has launched Season 2 of its New Real Estate Vanguard podcast series, 'Build and Disrupt', featuring 10 rising stars of the industry.

Hosted by Robin Marriott from PropertyEU, the new series features 10 individuals who have shown entrepreneurial flair or shaken up the corporate world and are actively reshaping the real estate industry with their vision and bold ideas.

Other participants in the series:

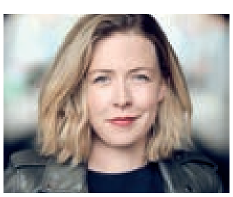


Ross Bailey
Founder, Appear Here (UK)

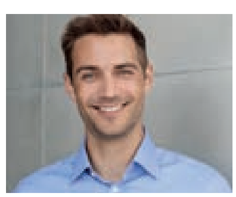
Katherine Beisler
Head of ESG Consulting, Hollis (Netherlands)

Christian Fladeland
CIO, Heimstaden (Sweden)

Achille Bourdon
Co-Founder, Syvil Architects (France)



Bridget Wilkins
Head of Digital Citizen Engagement, Department for Levelling Up, Housing and Communities (UK)



Nicolas Pörschke
Founder & CEO, Dropp (Germany)

Raphael Scheps
Co-Founder and CEO, Converge (UK)

Theodora Beckett
Founder & CEO, Drum-London (UK)

Lieske Van Pelt
Director, CBRE Investment Management (Netherlands)

Laura Denenga discusses her youth in Zimbabwe, how it propelled her into her current role and stimulated her concern for sustainability, as well as what the next generation of professionals can do to verse themselves in the diverse world of real estate.

'In Zimbabwe alone, Cyclone Idai caused about 1,000 deaths and about $2 bn worth of damage. And I think that hit home, you know, literally and figuratively, the effects of climate change. The statistics are that the real estate sector contributes about 40% of global carbon emissions, so I am quite attuned now to the effect and the impact that we can have within our industry on climate change.'

Laura Denenga, Vice President, European Debt Origination, PGIM Real Estate (UK)

Listen to all the podcasts on ULI's Podbean page, or Spotify and Apple Podcasts

Colliers' Divall lands 'pivotal' role at London & Oxford Group

Richard Divall has taken up the role of head of cross-border capital markets at London & Oxford Group to spearhead the company's expansion into private equity and alternative asset management.

He joins from Colliers, where he led a team of over 300 capital market advisors in the EMEA region for 10 years and was responsible for generating over €10 bn of investment volumes. Prior to that, he was a partner at Strutt & Parker LLP, where he advised major UK institutions and property companies on acquisitions and sales.

A familiar face on the international real estate conference circuit, Divall has travelled extensively to Asia, the Middle East, North America and around Europe over the past decade, meeting with and advising global investors on entering the UK and European real estate markets.

Julian Rogers-Coltman, chairman of London & Oxford Group, said Divall was 'a highly experienced and respected real estate professional with a proven track record of success', who would be 'a valuable asset to our company and will help us to continue to grow our business'.

'I look forward to expanding the company's reach into new markets'

Richard Divall

Dylan Tudor-Williams, director and head of real estate, praised his 'wealth of knowledge and respected reputation among global investors', noting: 'He will play a pivotal role in expanding our investor base and cultivating strategic partnerships.'

Divall said: 'I am really excited to join London & Oxford and to be part of their growth strategy. The company has a strong track record of success and capabilities, offering a sophisticated and seamless solution for our clients. I look forward to working with their entrepreneurial team to expand the company's reach into new markets, new capital sources and to continue to deliver value for our clients.' London & Oxford has around £850 mln (€979 mln) of RE AUM.

ULI Spain selects architect as executive director

The Urban Land Institute (ULI) has appointed Barbara Recio as executive director in Spain, working closely with ULI Spain chairman Alberto Valls and the ULI team based in London. Recio joins from Savills, formerly Aguirre Newman, where she worked for almost 10 years across business development and commercial management for the architecture, consultancy and advisory areas for the offices team. A trained architect, she previously also worked at CBRE as a senior workplace strategy consultant.

France's OFI names former Allianz head as new CEO

Ofi Invest Real Estate SAS, the real estate asset manager of the Ofi Invest group, has appointed Sébastien Chemouny as CEO alongside chairwoman Laurence Dumas. Chemouny was previously head of France for Allianz Real Estate (now Pimco Prime Real Estate), after holding various positions within the company, including as head of asset management and head of portfolio management. Prior to that, he worked at GE Real Estate, GE North America and GE Real Estate Europe.

Allsop sets up research department with senior hire

UK property consultancy Allsop has appointed Seb Verity as head of research, a newly created role that will underpin the company's growth plans in the alternative residential sector, in particular purpose-built student accommodation (PBSA) and build-to-rent (BTR), as well as the retirement living and healthcare segments. Verity joins from estate agency Chestertons, where he was head of research, following four years as a director in Savills' residential research and insight teams. Prior to that, he spent five years at Knight Frank as its head of research consultancy.

Pictet picks new head of Nordics for direct real estate

Pictet Alternative Advisors (PAA) has strengthened its real estate offering in the Nordic region with the appointment of Linus Nilsson as its new head of Nordics, based in Stockholm. He will focus on direct real estate transactions across the region and report to Charlie Baigler, head of acquisitions, direct real estate at PAA. Nilsson has more than 13 years of experience in the real estate industry and has held various positions in Stockholm and London. He joins from SBF Fonder, where he was CIO, prior to which he was a director at both Niam in Stockholm and at Nuveen in London.

BNP Paribas REIM Italy promotes Nocerino to CEO

Vincenzo Nocerino has been appointed CEO of the Italian business of BNP Paribas REIM, replacing Dominique Jones who takes up another role within BNP Paribas Real Estate in Paris. Nocerino has extensive experience in the real estate investment sector and in-depth knowledge of BNP Paribas REIM, having served as CIO for Italy for the past three years, a role he will continue to hold alongside that of CEO. He was previously head of transactions at UBS Real Estate & Private Markets, where he co-ordinated the sourcing and execution of real estate transactions for funds under management and separate accounts.

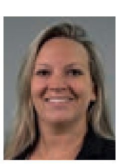
Instone Real Estate hires IPO advisor as new CFO

Listed residential developer Instone Real Estate has hired David Dreyfus as new chief financial officer (CFO) and board member with effect from September 1, replacing Foruhar Madjlessi who steps down at the end of July. The changeover follows a request by Madjlessi to terminate his contract earlier than initially agreed due to personal reasons. He was originally scheduled to end his role in December 2026. Dreyfus has over 28 years of experience in corporate finance and capital markets, including as director with Lazard and most recently as senior partner of Lilja & Co. He advised Instone on its IPO in 2018.

Newsec recruits chief digitalisation officer

Nordic property and renewable energy consultancy Newsec has recruited Ulrica Holmgren to the position of chief digitalisation officer. She will lead Newsec's IT organisation and join the executive management team. Holmgren most recently worked as chief information officer (CIO) at bank and insurance company Länsförsäkringar and has experience from the telecom industry as CIO at Telenor Sweden.

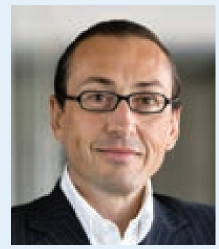
CBRE boosts life sciences team with transactions hire



Global real estate advisor CBRE has appointed Emma Stratton as a director in its life sciences transactions team. She will cover the London and Cambridge markets, and be responsible for driving transactional growth and market presence in the UK life sciences market. Stratton joins from Cushman & Wakefield, where she was a partner in the life sciences and specialist markets practice for the UK & Ireland. At CBRE, she will work closely with Chris Williams in the life sciences occupier advisory team and Luke Hacking and Jeremy Rodale in London & South East investor leasing.

Ex-DWS chief Wöhrmann to take over from CEO Egger at Patrizia

Global real assets investment manager Patrizia has appointed Asoka Wöhrmann as its new CEO, replacing founder and chief executive Wolfgang Egger 'to lead the next growth phase' of the company.



Wolfgang Egger

Asoka Wöhrmann

Wöhrmann joins from Deutsche Bank's asset manager DWS, where he was ousted as CEO last year following a greenwashing scandal. He joined DWS in 1998 as a portfolio manager and worked in various global leadership roles at the Frankfurt-based group before being made CEO in 2018.

Egger praised Wöhrmann's 'comprehensive international leadership experience, in-depth knowledge of financial markets and the global asset management industry as well as a broad international client network'.

In a parallel appointment, Patrizia said it was hiring Slava Shafir to the newly created role of chief operating officer (COO). Shafir joins from Corsair Capital where he was an operating partner. He previously worked for Barclays Capital, as a CIO and later MD and COO at Barclays UK, before joining Barclays Venture Capital.

Egger said the changes would allow him to concentrate on 'strategic client relations and the strategic development of the company' as a member of the board of directors. 'I remain fully committed to Patrizia as founder and majority shareholder and look forward to working in close partnership with the new CEO and COO and the whole executive team.'

Current co-CEO, Thomas Wels, will continue to support Patrizia as senior advisor with a particular focus on Asia-Pacific and Japan following the end of his term.

Founded in 1984, Patrizia has over the past two years diversified into infrastructure investment and private equity by acquiring Whitehelm Capital and Advantage, with AUM rising to €59 bn last year.

Ellis to co-manage M&G's flagship European fund

M&G has promoted Simon Ellis to co-fund manager of its flagship European Property Fund, alongside David Jackson. Having worked on the fund with Jackson since 2006 and played a key role as deputy fund manager since 2015, Ellis will now assume a more significant role in strategy and investment decisions, reporting to Tony Brown, global head of M&G Real Estate. There will be no change to the investment strategy of the fund, which was launched in 2006 with a mandate to invest in a diversified portfolio of assets in mature European markets and now has over €5 bn of AUM.

PfP Capital brings in Patrizia head for PRS platform

PfP Capital has appointed Jamie Younger as fund manager for its regional private rented sector (PRS) strategy, the £330 mln Picture Living platform. He replaces Tim Saunders, who is retiring after seven years with the firm. Younger will oversee new acquisitions alongside James Nicholls, who joined PfP Capital in December 2022. He previously worked for global investor Patrizia, where as head of transactions, UK and Ireland, he led a seven-strong team. Picture Living was launched in May 2018 as a JV between Universities Superannuation Scheme and PfP Capital's parent company Places for People.

Abrdn's Slater to take up reins at Redevco

Current CEO Andrew Vaughan is stepping down after a career spanning more than two decades with the privately held asset manager

Pan-European asset manager Redevco has picked an outsider to take over from Andrew Vaughan when the veteran leader steps down in October after more than 20 years with the Amsterdam-based firm.

Successor Neil Slater joins from Abrdn where he currently serves as global head of real estate and real assets, after previously heading the firm's Japanese business. He joined Standard Life Investments in 2011, leading a multidisciplinary team responsible for product structuring, tax, legal and cross-asset debt financing. Prior to that, he spent over six years in Switzerland with Man Group where he was responsible for a multi-billion debt book in addition to leading the team structuring equity derivative products and OTC derivatives, fund financing, and custodial structures.

Neil Slater

Andrew Vaughan

Slater's 'proven track record of growing assets under management and attracting external investors in a multi-asset environment' make him a good fit for the role, according to Boudewijn Beerkens, CEO of Redevco's holding company Cofra, which is seeking to attract 'more like-minded third-party capital to its investment strategies'.

As such, Slater will extend the strategy of diversification initiated by Vaughan, who steered Redevco beyond its traditional retail focus, rebranding it as an 'urban regeneration specialist' by moving into the residential, hospitality and mixed-use sectors and introducing third-party capital in the process. Just last year, he oversaw the creation of one of Europe's largest retail warehouse park platforms with the acquisition of Hamburg-based Redos. As Vaughan himself put it: 'After almost 12 years as CEO, with major milestones behind us and having repositioned Redevco as a multi-client, multi-strategy real estate manager, now is the right time to hand over to Neil who I am convinced will do a superb job in steering Redevco forward.'

Slater inherits a company with close to €10 bn of assets under management and a six-strong management team, including chief strategy & innovation officer Marrit Laning who joined the board last year.

Slater said: 'I am proud to join Redevco at such a pivotal moment in its growth trajectory. As the world's population continues to grow, and climate change impacts our environment, Redevco has a crucial role in making cities and urban areas healthier, more sustainable, and liveable.'

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