

Monthly Newsletter

Real Estate

Key Transactions

- A JV between URW, Credit Agricole and La Francaise purchased a c. €2 billion French shopping centre portfolio. The portfolio was acquired from URW who retained a 45.8% stake.
- Coima funds acquired seven properties in Milan from UBI Banca understood to be worth €1 billion.
- Wates submitted plans for a £1 billion regeneration of the Waterloo Estate in east London.
- Swiss Life AM plans to acquire €1 billion of European logistics assets.
- CapCo agreed to buy a 26.3% stake in Shaftesbury for £436 million.
- BNP Paribas acquired over €590 million of assets across Europe during the lockdown period.
- LEG Immobilien bought 7,500 German residential units for €767 million across two transactions.
- Link REIT is in negotiations with Hines to acquire Morgan Stanley's European headquarters in London. The asking price is believed to be £390 million.
- Segro acquired an urban warehouse estate in West London for £202.5 million.
- Tesco sold its Polish business to Salling Group for €202 million. It includes 301 stores and two distribution centres.
- Allianz Real Estate acquired a prime office asset in Rome for c. \$225 million.
- Nuveen acquired three Dutch logistics assets for €215 million.
- DWS and Societe Generale agreed a €205 million refinancing facility for a Parisian office building owned by Northwood Investors.
- Chinese investor Poly cancelled the sale of 5 Fleet Place in London.
- Nuveen acquired three logistics assets in France for more than €135 million.
- AXA IMRA acquired an affordable housing rental portfolio in Madrid for €150 million.
- Immobilien Zentrum acquired a 20,000 sq. m. plot of land in Regensburg to build a €200 million mixed-use development.
- ICG provided a £177 million construction loan for a mixed-use development on London's Southbank and announced its intention to expand its lending platform into Europe.
- DIC Asset acquired two German offices for €116 million.
- Cofinimmo acquired €105 million of healthcare assets in Belgium.
- Henderson Park and Hines bought a 67,000 sq. m. portfolio of five hotels on the Greek island of Crete.
- Captiva acquired seven retail properties in Germany from PATRIZIA for €96 million.
- Barings acquired four Swedish logistics assets for €92 million.
- LondonMetric acquired food stores and a logistics unit in the UK for £73 million.
- Berlin Hyp provided a €63 million loan for a mixed-use property in Amsterdam.
- A JV between Angelo Gordon and Aamundo Immobilien acquired a 180,000 sq. m. German logistics site.
- GSA acquired a 302-bed PBSA asset in Madrid from Corestate.
- InfraRed acquired a 450,000 sq. ft. last-mile logistics portfolio in the UK.
- DekaBank provided a £56.25 million loan to Mayfair Capital for a 113,000 sq. ft. office in Shoreditch.
- Catella acquired German student housing and residential developments for €51 million.
- Segro sold a recently developed urban warehouse park and development land, in Vienna, to Nuveen for €65 million.
- BauMont Real Estate Capital acquired two office buildings near Reading.

People Moves

- Persimmon appointed Dean Finch as Chief Executive Officer.
- Hammerson appointed Robert Noel as Non-Executive Chair.
- Mikala Kreiser joined PFA Audley as Chief Executive Officer.
- FIABCI appointed Michael Heming as President of the Global Governing Body.
- Commerz Real appointed Gabriele Volz as Chief Executive Officer.
- Karen Brennan was appointed CFO of JLL, while Jeff Jacobson has taken over interim European CEO.
- Andreas Muschter joined The Student Hotel as Chief Financial Officer.
- Christoph Holzmann joined Union Investment as Chief Operating Officer.
- ICG Real Estate appointed Philippe Deloffre as Head of Real Estate Debt Origination, Europe and Aisling McCarthy as Managing Director.
- Hines hired Logan Smith as Head of Logistics for Europe and Damien Hilbourne as Development Director in the UK.
- Cormac Dunne was appointed Country Adviser for Ireland at Arrow Capital Partners.
- Brookfield AM hired Martin Farinola as Head of European Debt.
- Savills hired Nunzia Moliterni as Head of its New Building Project Consultancy unit in Italy, and Alexandre Fraigneau as Director of Logistics in Paris.
- Ailish Christian-West joined Get Living as Director of Real Estate.
- M7 Real Estate expanded into Spain, hiring Alvaro Arteaga Biforcós as Managing Director, Spain.
- Quanta Capital appointed Michael Buckley as Chairman.
- Michael Sheahan joined Apex Group as Global Head of Real Estate.
- EQT Real Estate appointed Sebastien Morizot as Director in its Paris office.
- Harrison Street hired Amy Tonnessen as Director, European Asset Management and Vanisha Thakrar as Vice President, Transactions.
- Edmond de Rothschild hired Nick Hiles as Head of UK Commercial Asset Management.
- Japanese developer Mitsui Fudosan appointed Tomoo Nakamura as UK Managing Director.
- Suzy Denys joined Patrizia as Head of Asset Management, BeLux.
- Jos Hesselink was appointed Research Lead at Cushman & Wakefield's Dutch branch.
- Besix Red appointed Raphael Legendre as Country Director for Belgium.
- Palmira Capital Partners appointed Peter Salostowitz as Head of Research.
- Commodus hired Lutz Kessel as Head of Project Development and Alexander Weißflog as Head of Asset and Portfolio Management.
- Verdion hired Florian Stöbe as Head of Investment for Germany.
- French Asset Manager OFI hired Aymeric Thibord as head of its real estate subsidiary, OFI Pierre.
- Dermot Kiernan was appointed Fund Director of Hermes Property Unit Trust.
- Jan-Christoph Klein, Hubertus Bäumer and Karsten Lieser launched eXapital, an advisory firm focused on capital and asset solutions.
- Maya Capital hired Jared Hart to oversee its new UK retail regeneration vehicle.
- St Modwen appointed James Lidgate as Senior Director – Strategic Land & Planning.
- Harworth Group appointed Richard Bousfield as Director – Head of Income.
- Robin Johns joined Gazeley as Director of Business Technology.
- Ulrich Rössing joined Quest Investment Partners as Managing Director.
- Peer-to-peer lender EstateGuru appointed Gabriella Kindert to its supervisory board as an independent member.

Industry Trends & Events

- Global real estate AuM reached a record €3.2 trillion, with the top 10 asset managers accounting for 40% of the total.
- Blackstone remains the world's largest real estate manager as its property assets reached c. €250 billion.
- For the second year running, AXA IMRA was Europe's leading fundraiser for European real estate debt strategies, raising \$8.86 billion.
- UK shopping centre owner Intu Properties has gone into administration.
- Transaction volumes in European office markets has mostly returned, but with a strong focus on the core end of the risk spectrum. Pricing appears to be holding up, but discounts are expected higher up the risk curve.
- Higher demand for rental accommodation with high levels of service due to Covid-19 is expected to boost the BTR sector in the UK.
- European multifamily investment remains attractive to investors, with H1 2020 levels set to match those from 2019.
- M&G is keeping its \$3.2 billion UK property fund frozen after a six-month suspension.
- Hines plans to increase its AuM in Europe from €20.9 billion to over €40 billion in the next five years, with logistics at the heart of its growth plans.
- European prime office rents may fall by as much as 5-23%, while purchase prices may drop by 15-47%, due to short and long-term trends.
- European buyers are avoiding London's rental market due to concerns over Brexit.
- Hong Kong-based TTB Partners has acquired a minority stake in M7 Real Estate to capitalise on Asian investors' appetite for European real estate.
- Asian appetite in the UK market remains strong following Hong Kong-based Link AM's announcement that it is targeting core markets in the UK.
- Investors spent €3.7 billion on European urban logistics between January and May 2020, a 7% increase year-on-year. 65% of investment was cross-border.
- Meyer Bergman is looking to raise over €700 million of equity for a new pan-European last-mile logistics platform.
- Warehouse REIT plans to raise £175 million in a share sale to finance last-mile opportunities in the UK.
- Over 50% of Parisian office purchases in 2019 were completed by foreign buyers, with South Korean investors alone completing €3.7 billion of transactions.
- Venture Capital investment in European real estate rose from €94 million in 2014 to €842 million in 2019.
- London, Berlin, Paris, Barcelona and Manchester are the most attractive European cities for Fintech occupiers.
- The European lending market is offering opportunities with lower risk and higher returns compared with pre-virus.
- Pursuing an ESG-led strategy remains the priority for European lenders, despite Covid-19.
- Real estate debt fund managers may struggle to source debt-on-debt funding, making it difficult to hit their returns targets.
- European retail sale-and-leaseback transactions are expected to pick up towards the end of 2021.
- NBIM announced it had delivered higher than expected returns from real estate over the past decade.
- The CEE data centre market size is expected to grow at a CAGR of c. 3% in the period 2019 – 2025.
- Positive demographic trends and strong fundamentals are driving international investment into the Polish office market.

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- French insurer CNP Assurances is set to increase its allocation to sustainable buildings. In 2019 it invested c. €7 billion into green property.
- ICG Real Estate announced its intention to expand its lending platform into Europe.
- Arrow Capital Partners launched a \$3 billion investment business to take advantage of Irish industrial real estate, citing the growth of e-commerce in the country.
- The value of Irish commercial property deals slumped 79% during the height of Covid-19 restrictions.
- Ivanhoe Cambridge, Bouwinvest and Greystar have launched a ‘develop-to-core’ venture focused on PBSA and residential for young professionals, with an investment capacity of €1 billion.
- The office vacancy rate in Stockholm’s CBD hit 3.7% in Q2 2020, a five-year high.
- Invesco is expected to close on a total of €750 million for its second pan-European value-add vehicle.
- BMO Real Estate Investments (BREI) has slashed its dividend by half due to falling rent collection.
- LaSalle IM raised an additional €300 million for real estate whole loan lending.
- Legal & General will ensure high speed internet connectivity across 1,000 homes and 2 million sq. ft. of commercial property.
- Brookfield Asset Management has launched its first Europe-specific real estate vehicle, an open-ended fund focused on Core property.
- Segro is seeking to raise £650 million through a share sale to finance expansion in the UK and continental Europe.
- Investcorp closed a new fund with €318 million in commitments as it looks to pick up large-cap European secured loans.
- Ares’ European Property Enhancement Partners III held its second closing, with €560 million of commitments so far.
- Cohen & Steers, which has offices in London, opened an additional branch in Dublin to strengthen its presence in Europe.
- Tristan Capital Partners and Kefren Capital Real Estate formed a JV to build a €200 million Spanish logistics platform.
- ARA Asset Management launched a bid to acquire a further 29% of Cromwell Property Group.

Infrastructure

Key Transactions

Digital Infrastructure

- Spanish telecoms operator MasMovil is to be acquired by a consortium composed of KKR, Providence Equity Partners and Cinven in a €5 billion takeover.

Digital Infrastructure - Towers

- An Ardian Infrastructure-led team reached an agreement with Italian telecoms operator TIM to buy an indirect stake equivalent to almost 15% in towers company INWIT for about €1.3 billion.
- Cyfrowy Polsat, Polish telecoms and broadcasting giant, is preparing to launch a sale of its mobile towers business.

Digital Infrastructure - Fibre

- Antin Infrastructure-owned Eurofiber raised just over €200 million of debt to help fund the Dutch fibre-optic broadband company's expansion plans.
- Institutional investors are set to provide half of the €900 million debt package Vauban Infrastructure Partners and Bouygues Telecom will use to help finance access to fibre broadband networks across France.
- Stonepeak Infrastructure Partners and the Investment Management Corporation of Ontario (IMCO) agreed to inject more equity into EuNetworks to fund the fibre company's expansion plans.
- InfraVia-backed fibre optic company Celeste agreed to acquire business-to-business broadband provider Stella Telecom as it consolidates its presence in France.
- Alinda Capital Partners agreed to buy fibre network operator Glide from private equity firm Inflexion.
- Enel S.p.A. announced that they have received a non-binding offer by Macquarie Infrastructure Real Asset ('MIRA') for the acquisition by MIRA of part or all of the 50% stake held by Enel in Open Fibre.

Renewable Energy

- CIP raised €1.5 billion at first close for CI IV as it seeks to create the world's largest renewables fund with a €5.5 billion target.
- A joint venture between Mitsubishi Corp (51%), HICL Infrastructure (29%) and Chubu Electric Power Co. (20%) reached financial close on the acquisition and debt financing of a transmission line for the 659 MW Walney Extension offshore wind farm in the Irish sea.
- Total entered into an agreement with SSE Renewables to acquire a 51% stake in the Seagreen 1 offshore wind farm project in Scotland.
- Fund manager Glennmont Partners and the PGGM Infrastructure Fund established an asset management company to manage several hundred megawatts of Italian renewables.
- Green Arrow Capital agreed to acquire a majority stake in six biomethane plants in Lombardy, Italy. The stake is worth an overall €75 million, and is their first transaction in the sector.
- Basalt Infrastructure completed the refinancing of its 67 MW Italian solar platform Mareccio Energia with €170 million committed by BayernLB, BNP Paribas, Intesa Sanpaolo and Santander.
- Cubico Sustainable Investments refinanced its recently acquired 50 MW Arenales concentrated solar park in southern Spain, and reached financial close on €247 million of project loans provided by Société Générale, Credit Agricole, CaixaBank, Export Development Canada and BNP Paribas.

Energy Transition

- Highview Power was awarded a £10 million grant from the UK Department for Business, Energy & Industrial Strategy for a 50 MW long duration cryogenic energy storage facility. Highview Power entered into a joint venture with Carlton Power, a UK

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independent power station developer, to build and operate the facility at Trafford Energy Park, outside Manchester.

- Infrastructure fund-backed Swedish electricity grid operator Ellevio raised SEK 1.65 billion (€158 million) through a public bond issue to fund the rollout of smart meters.
- Polhem Infra-backed Solör Bioenergy agreed to buy Swedish district heating business Vasa Varme.
- First State Investments raised €210 million of debt for Coriance from banks and institutional investors, partly to help fund the French district heating and cooling company's expansion plans.

Transport

- IFM's International infrastructure operator Aleatica has agreed to buy a controlling stake in Italian toll road operator Brebemi from Italy's biggest retail bank, Intesa Sanpaolo.
- A Meridiam and FCC consortium were selected as preferred bidder for the £500 million A565 road, the first Welsh scheme to be procured under the Mutual Investment Model.
- Meridiam and partner Munich Airport have secured a 35-year concession for the Modernization and operation of the Sofia airport.
- Ancala Partners agreed to buy Swedish freight business Hector Rail from EQT Infrastructure, making its first move into rail.
- Transdev reached financial close on a German rolling stock concession, raising over €300 million of debt from three lenders; Credit Agricole, Allianz Global Investors and NordLB.

Social Infrastructure

- French asset manager Primonial launched a new €1 billion open-ended fund targeting social infrastructure investments across Europe. It aims to have €1 billion of assets under management by 2022.
- Infrastructure fund manager Equitix made another move into UK healthcare by agreeing a deal to

finance the development of diagnostic centres to be operated by London-listed Rutherford Health PLC.

- DIF Capital Partners was selected as preferred bidder for a student accommodation project at the London School of Economics, to build finance and operate new accommodation facilities for around 700 students on Glengall Road in London.
- HICL Infrastructure, the London-listed infrastructure investment company backed by Infrared, acquired a further 74% stake in Holdfast Training Services Limited.

Oil & Gas

- InfraVia Capital Partners agreed to buy Spanish small-scale LNG distribution and regasification company Molgas Energia, its first move into the LNG sector.
- A consortium of six companies, entered into an agreement with ADNOC to acquire a 49% stake in a newly-formed subsidiary, ADNOC Gas Pipeline Assets in a \$10.1 billion deal. The investors include Global Infrastructure Partners, Brookfield Asset Management, GIC, Ontario Teachers' Pension Plan Board, NH Investment & Securities and Snam.

Utilities

- Infracapital acquired a controlling stake in Icosa Water, which will become part of its Last Mile Infrastructure Group.

Infrastructure Debt

- Macquarie Infrastructure Debt Investment Solutions (MIDIS) raised more than £2.7 billion from UK pension schemes and insurance companies, a transaction that also included the final close for its second UK inflation-linked debt fund. The proceeds from the fundraising will be deployed towards inflation-linked debt in UK utilities, renewables, social and transport infrastructure.

People Moves

- Boe Pahari was appointed as Chief Executive of AMP Capital. He will continue to lead its global infrastructure equity business.
- Abbas Husain was promoted as Regional Head of Corporate Finance for Africa and the Middle East and his responsibilities were expanded to include the role of Head of Project and Export Finance for Europe at Standard Chartered.
- Lars Hougaard was appointed as Head of Infrastructure Investments at the Danish pension fund PFA.
- DIF Capital Partners hired infrastructure and energy M&A specialist Marcel Beverungen as a Senior Investment Director.
- Alejandro Ciruelos will step down as Head of Project and Acquisition Finance for the UK, Ireland and Scandinavia at Santander after 14 years. He will be replaced by Bart White who is the former Head of European Infrastructure Debt Advisory for Santander.
- Octopus Renewables hired Partha Vasudev as Investment Director.
- Amber Infrastructure hired Heimo Stauchner as Senior Investment Director. He will be based in Vienna, where Amber will soon open an office.
- InfraVia Capital Partners hired Pauline Fiastre as a Finance Director within its investment team in Paris.
- UK rolling stock company Angel Trains re-hired its former CEO Malcolm Brown, who left to join AMP Capital two years ago.
- Emma Towers was appointed as Senior Manager within the investment team of Maple Power, an offshore wind development joint venture between Enbridge and Canada Pension Plan Investment Board.
- David Rose was appointed Partner at Rock Rail. He was previously at Operis. Rock Rail has also made some key appointments to their advisory board, including Hans Leister and industry veteran Andrew Chivers.
- Andrea Echberg, currently Co-Head of Infrastructure and Real Assets offering at Pantheon Ventures, is to step up to be the sole Global Head of Infrastructure and Real Assets, which manages three global funds.

Industry Trends

- June has seen a substantial restart in deal activity in infrastructure, including debt.
- On the debt side the £2.7 billion Macquarie Infrastructure Debt Investment Solutions debt fund raise is noteworthy, as well as a number of debt financings in renewable energy.
- There has been a flurry of deal activity in digital infrastructure both in towers and fibre. Competition has been strong around towers, a pure infrastructure play, while fibre continues to attract investors as a growth opportunity.
- Despite challenges in the oil & gas market, the biggest infrastructure deal of the year has been the \$10.1 billion acquisition of 49% in ADNOC Gas Pipeline Assets by a group of six investors.
- The trend continues of utilities selling infrastructure assets or partnering with infrastructure funds. Recent examples include Telecom Italia/KKR, and the deal between Ardian and mobile operator TIM for tower company Inwit.
- Investor interest in renewable energy continues to be strong as demonstrated by the first close of CIP's largest renewable energy fund and recent deal activity. Specialised skills will be required as investors will pursue development opportunities and ways to hedge power market volatility.
- There has been a restart in transport, the sector hardest hit by the corona virus crisis, with activity in toll roads, rail freight as well as positioning in airports.