

Warburg-HIH Invest Launches New Institutional Fund for Residential Real Estate

- Warburg-HIH-Invest expands its residential investments with new fund, “Warburg-HIH Deutschland Wohnen Invest”
- Investment fund to have a target volume of 400 million euros
- Planned distribution between 3.25 and 3.75 percent
- Sustainable investment strategy in modern and energy-efficient new residential construction

Hamburg, 31 March 2021 – Warburg-HIH Invest Real Estate (“Warburg-HIH Invest”) is about to launch its next open-ended special AIF, “Warburg-HIH Deutschland Wohnen Invest.” The fund will target an investment volume of approximately 400 million euros. It is planned to yield a dividend of 3.25 to 3.75 percent annually. As an institutional fund, it is intended mainly for regional banks and savings banks. The minimum subscription amount is five million euros.

“Residential investments will have a sustained stabilising effect within the portfolio. After all, it was the German housing market that proved extremely stable even during the COVID-19 pandemic. With that in mind, we offer this component to our investors as sector-specific diversification for their investment strategy in the real estate segment,” said Carsten Demmler, Managing Director of Warburg-HIH Invest.

The fund’s investment focus is on new-build housing developments in fast-growing residential locations inside metro regions and in stable standalone regions. “What counts as important selection criteria in this context, in addition to demographics and economic trend, are local infrastructure and convenient access to the workplace. Existing properties can complement the portfolio if quality and returns match the fund’s objectives. Cities potentially eligible for acquisitions are, for example, Aachen, Bamberg, Bonn or Berlin’s gray belt. But we will not prioritise investments in the ‘Big Seven’ cities,” said Demmler to sum up. The first acquisitions for the fund are scheduled to move ahead as early as the second quarter of 2021, being already contractually secured. At this time, savings banks and regional banks have already pledged more than 150 million euros in capital commitments toward the acquisition of assets to build up the portfolio.

The fund pursues a sustainable investment strategy that focuses on modern and energy-efficient new residential construction and includes affordable living space and subsidized apartments. The fund will invest in projects that ensure easy access to the public transportation network and short distances by mixing use types in a given quarter. To guarantee a high energy efficiency for the residential portfolio, the fund will invest in new-build units that meet the KfW Efficiency House 55 standard. Moreover, it will include innovative mobility concepts such as charging stations for e-vehicles and the supply of common areas with green



electricity. The fund will also invest in residential properties that create affordable homes and include senior-oriented living options.

“Due to its sustainable investment strategy and the ESG guidance of Warburg-HIH Invest, the new residential investment fund will invest in modern energy-efficient residential projects. Publicly subsidised housing will also be a component of the portfolio. By integrating subsidy programs of the government-owned KfW banking group and regional subsidy programs we will generate secure long-term rent revenues for our investors,” commented Alexander Eggert, Managing Director of Warburg-HIH Invest.

“We have existing know-how in the residential real estate segment. HIH Projektentwicklung, the developer arm of the HIH Group, provides us with long-term expertise in property development. Moreover, we already have more than 500 million euros worth of assets in the residential segment under management,” added Hans-Joachim Lehmann, Managing Director of Warburg-HIH Invest.

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**Carsten Demmler, Managing Director
Warburg-HIH Invest**

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Warburg-HIH Invest**

About Warburg-HIH Invest



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

Around 150 institutional clients entrust their investments to Warburg-HIH Invest. They benefit from the structuring, product development, property management and market development specialists we make available for the purpose of developing just the right investment solutions for them.

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

At the moment, we have 12.9 billion euros worth of assets under administration in 78 investment funds.

More information is available on the company's website at: www.warburg-hih.com/en

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