

HIH Invest acquires clinic for healthcare fund

- Telos Clinic Liblar (North-Rhine Westfalia) comprising 3,500 square meters of rental space
- New building under energy Standard KfW-40-Plus with PV system, heat recovery and -pumps
- 25-year lease agreement with System GmbH & Co. KG
- Second purchase for Article 8 fund "HIH Vita Invest"

Hamburg, 20 June 2023 - HIH Invest Real Estate (HIH Invest) has acquired Telos Clinic Liblar for its open-ended special AIF "Vita Invest". The new-build core property at Radmacherstraße 83 in the Liblar district of Erfstadt in North-Rhine Westfalia, Germany, comprises approximately 3,500 square meters of total leasable space. It features three above-ground floors with 62 rooms and a total of 68 beds, as well as 21 car parking spaces. The specialist clinic for addiction disorders, which opened in April, was built as an efficiency house to the KfW-40-Plus standard and with corresponding KfW funding: Among other things, a ventilation system with heat recovery and heat pumps as energy generators ensure that the energy consumption data are 60 percent below the requirement value for new buildings. A photovoltaic system on the roof is available for power supply.

With the sole tenant System GmbH & Co. KG, there is a 25-year lease agreement including a green lease- and transparency clause in terms of consumption data and carbon footprint. System has already been the operator of the predecessor facility in Liblar since 1994 and is also responsible for two similar facilities in Rhineland Palatinate, as well as a health center with a German-wide network of consultants.

"Through the long-term lease agreement, we generate a secured cash flow for the fund. The clinic is designed for extensive treatment periods of six months on average, which, together with occupancy and supply contracts from the pension insurance and health insurance funds, ensures a high degree of planning security. Another big plus for the new clinic is that it brings its specialist staff with it from the previous facility," says Henriette Benassi, Head of Transaction Management Social & Healthcare at HIH Invest.

The location scores with good local amenities, connections to public transportation and the B 265 highway. 116,000 people live in the catchment area of up to a 15 minutes' drive. The cities of Cologne, Bonn, and Düsseldorf can be reached by car in less than an hour.

For the Article 8 fund "HIH Vita Invest", this is the second property purchase after the health center in Michendorf near Potsdam. The special AIF targets new buildings or as-new existing buildings throughout Germany, which are leased long-term to operators with strong credit ratings. The focus lies on medical facilities, outpatient forms of care, and senior living. The target volume of the fund is 200 million euros at

the least, of which up to 50 percent is debt capital on a portfolio basis. Investors can participate from five million euros.

"With the HIH Vita Invest fund, institutional investors have the opportunity to participate in the growth areas of assisted living, outpatient forms of care, and medical facilities. An important advantage of this segment is its independence from short-term market and economic fluctuations. Increasingly, private capital is needed to meet the additional demand for senior living and treatment places. At the same time, HIH Vita Invest offers the opportunity to cover various ESG aspects when investing," says Carsten Demmler, Managing Director of HIH Invest.

The legal and tax due diligence was carried out by the law firm Taylor Wessing from Düsseldorf. Consulting Partners Hamburg was responsible for the technical and ESG due diligence. Drommel Immobilien from Weikersburg was responsible for the brokerage of the property.

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