

HIH Invest Acquires First Assets for its New Healthcare Property Fund

- Health centre and office building in Michendorf near Potsdam
- Property sold by GP Günter Papenburg AG
- Total lettable area of 3,597 square metres
- First acquisition for the “Vita Invest” open-ended special AIF

Hamburg, 28 September 2022 – HIH Invest Real Estate (“HIH Invest”) just acquired a health centre located in Michendorf near Potsdam from the GP Günter Papenburg AG conglomerate for its open-ended special AIF, “Vita Invest.” It represents a property development that is part of “Neue Ortsmitte”, a new residential block under construction in a central location. The investment consists of two separate four-storey buildings directly next to the entranceway to the new quarter: One will be used as health centre, the other being as office building. Their combined gross lettable area approximates 3,597 square metres. The health centre with its lettable area of about 1,660 square metres is expected to be completed by the end of 2023. The first units in the property have already been let to a local home care service. The other units will be occupied by various doctors’ offices or therapy facilities. The already completed administrative building with its lettable area of 1,937 square metres was rented by EMB Energy Mark Brandenburg GmbH, a local utility company that has been using it as its principal place of business since January 2021.

The property development in Michendorf represents the first asset acquired for the new open-ended institutional fund, “Vita Invest.” The AIF targets new-build developments or high-end standing buildings anywhere in Germany that are let to high-net-worth operators on long-term leases. The focus is on medical facilities, outpatient care formats and senior living. The fund is planned to have a target volume of at least 200 million euros, thereof up to 50 percent debt based on the portfolio total. The minimum stake for investors is five million euros. The objective is a sustainable and stable cash-on-cash yield of at least four percent.

Felix Meyen, Managing Director at HIH Invest, commented: “We are pleased to report the first transaction for our new investment fund. We are interested not just in cities but in the wider metro regions, too. Especially in the greater Berlin area, the gravity belt keeps widening, but the corresponding development of medical amenities lags behind. Brandenburg, which surrounds Berlin on all sides, is the state with the lowest density of physicians in Germany, generating strong demand for outpatient medical services. This makes it plausible to provide medical amenities at health centres where a range of surgeries cover various specialities.”

Carsten Demmler, Managing Director of HIH Invest, elaborated: “Unlike other types of use, the demand for healthcare properties – and thus their relettable – is more or less immune to short-term fluctuations of the market and the economic cycle. This makes them a highly attractive investment for our institutional clients.

Structured as an Article 8 fund, the fund meets specific sustainability criteria: It helps to ensure the local provision of medical amenities while the sustainable management by its operator lives up the fund's social responsibility. In addition, the development in Michendorf emphasises the environmental aspect. Heating and electricity is provided to the properties via the quarter's own combined heat and power plant and by a roof-mounted photovoltaic system operated by EMB."

Michendorf is located in the rural district of Potsdam-Mittelmark south-west of Berlin, and is part of the city's gravy belt. In addition to Michendorf proper, the municipality includes another five localities and is home to around 13,500 residents. The "Neue Ortsmitte" residential block development occupies a building site of about 2.3 hectares in the centre of Michendorf and will combine spaces for living, working and leisure. A railway station is about 400 m away. It provides regional rail service in the direction of Potsdam and Berlin.

The legal and tax due diligences for this transaction were undertaken by the law firm of Taylor Wessing in Düsseldorf. Responsible for the technical and ESG due diligence was Consulting Partners Hamburg. The investment was brokered by the estate agency and consultancy, COMFORT Berlin.

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About HIH Invest Real Estate

HIH Invest Real Estate ("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 during the right market cycle.

Around 260 institutional clients entrust their investments to 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.



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 17.5 billion euros worth of assets under administration in 89 investment funds.

For more details, visit the company homepage at: www.hih-invest.de/en

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