

HIH Invest Acquires Day Nursery in Bremen

- Sold by developer BSB Baubetreuung und Bauträger GmbH
- Property development slated for completion by Q3 2024
- Pre-let to the Drachenkinder German-Chinese day nursery for 25 years
- 17th asset for the “HIH Zukunft Invest” fund

Hamburg, 26 July 2023 – HIH Invest Real Estate (“HIH Invest”) just acquired a new day nursery (daycare centre) for its “HIH Zukunft Invest” open-ended institutional fund, this one being located in Bremen. The property development was sold by its local developer, BSB Baubetreuung und Bauträger GmbH. Pre-let to the Drachenkinder non-profit sponsor on a 25-year lease plus a five-year renewal option, the premises will house a German-Chinese day nursery.

The building, which will feature ground, first, and attic floors, will be raised in solid construction on a plot of about 1,500 square metres. Its completion is scheduled for the third quarter of 2024. Nearly 1,200 square metres of net internal area provide enough space to accommodate six groups of children, thereof three nursery groups of ten spots each and three daycare groups of 20 spots each. In the outdoor area of about 1,000 square metres, play areas will be installed for the children while another play area of 140 square metres will be created on the roof terrace. The acquisition of the property development will be entirely equity financed. With the other property developments that have been secured by sale-and-purchase agreements included, the daycare centre in Bremen will be the seventeenth asset to be added to the portfolio of the “HIH Zukunft Invest” fund. Its transfer of ownership will bring the fund’s real estate assets up to total of c. 86 million euros.

The energetic master plan of the new building is based on the requirements of the KfW Efficiency House 40 standard. Planned measures toward this end include a ventilation system with 80-percent heat recovery and a roof-mounted photovoltaic system that includes a dedicated electricity storage.

“There is massive pent-up demand for day-care spots for toddlers below the age of three and for children between three and six years of age in Bremen. The caregiving needs are particularly urgent in the Mittelshuchting district where the property is located. The residential quarters of up to 160 apartments that are planned in the immediate vicinity will further increase demand,” commented Jens Nagelsmeier, Head of Transaction Management Retail & Healthcare at HIH Invest.

Huchting, a residential district with a large number of green areas, is located around six kilometres away from downtown Bremen, and has convenient access to inbound and outbound transportation. Public transport access will include the S1 and S8 rapid transit lines, to be developed by 2024.

The “HIH Zukunft Invest” Article-8 fund is still in its investment phase. The fund focuses on educational facilities like day nurseries, schools, and academic buildings in fast-growth cities and metro regions in Germany. The fund has a targeted volume of at least 100 million euros, and may use up to 50 percent leverage on the portfolio level.

The legal and tax due diligences for this transaction were conducted by the law firm of Heuking Kühn Luer Wojtek in Hamburg. Consulting Partners Hamburg (CPH) was responsible for the technical pre-acquisition audit.

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**Jens Nagelsmeier, Head of Transaction Management Retail & Healthcare
HIH Invest Real Estate**

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 eight 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 19.7 billion euros worth of assets under administration in 92 investment funds.

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

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