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Pressemitteilung

Warburg-HIH Invest Crosses Mark of Ten Billion Euros in Managed Real Estate Assets

- Assets under management add up to 11.2 billion euros at year-end 2019
- Average rate of return (BVI method) at 8 percent p.a. across funds
- Transaction volume in 2019 totals 2.7 billion euros

Hamburg, 4 February 2020 – Warburg-HIH Invest Real Estate GmbH (Warburg-HIH Invest) looks back on a prosperous financial year 2019 as it continues to follow its growth trajectory. At the end of 2019, the assets under management totalled 11.2 billion euros (2018: 8.2 billion euros). The AIFM company (German “KVG”) currently manages a portfolio of 68 investment funds (2018: 56 funds). The time-weighted rate of return (BVI method) across funds equalled 8.0 percent p.a. (2018: 8.0 percent). Transactions by Warburg-HIH Invest last year had a volume of 2.7 billion euros. The total breaks down into 2.29 billion euros in acquisitions and 362 million euros in sales.

“We owe the growth to our broad-based product spectrum for institutional investors. In addition to products that are already subject to keen demand, such as pool funds, single mandates and club deals, our clients are increasingly interested in services in the multi-manager business,” said Alexander Eggert, Managing Director at Warburg-HIH Invest. “Pooling and administrating direct and indirect real estate equity investments gives investors an opportunity to raise hidden reserves and to join us as we invest in other markets and types of use.”

New Logistics and Office Real Estate Fund Launched in 2019

The investor side is moreover characterised by strong demand for investment funds with a precisely defined and differentiated investment strategy. Last year, Warburg-HIH Invest responded to the demand by setting up a logistics real estate fund called “Warburg-HIH Deutschland Logistik Invest.” It is an institutional fund focusing exclusively on German logistics real estate. Moreover, Warburg-HIH Invest manages the open-ended special AIF “Perspektive Einzelhandel: Fokus Nahversorgung” which invests in retail warehouse parks anchored by grocery retailers as main tenants and located in German growth regions. The most



recent acquisition on behalf of the fund involved a neighbourhood retail centre near Ulm. As a result, the number of fund assets is already up to eleven.

“In addition to office properties, we consider logistics and grocery retail assets promising investments. Demand for logistics real estate has remained very stable. Moreover, the local amenities sector, specifically in grocery retailing, continues to offer attractive distribution yields of about 5.0 percent annually. It gives investors an opportunity to keep earning the same level of returns as they did a few years ago,” said Hans-Joachim Lehmann, Managing Director at Warburg-HIH Invest. “In addition, we keep seeing attractive opportunities for investing in the office sector of German growth cities. The fact has prompted us to launch a follow-up product to our ‘Deutschland Selektiv’ concept.”

The new open-ended special AIF “Deutschland Selektiv Immobilien Invest II” invests in office properties in selected German growth cities. Its predecessor, the “Deutschland Selektiv Immobilien Invest I” fund, has generated an average distribution yield of 11.7 percent since it was launched in March 2017. For the Selektiv Immobilien Invest I, Warburg-HIH Invest acquired one section of the new-build construction project THE DOCKS in Frankfurt am Main in 2019. Other acquisitions the company made on behalf of different funds included, inter alia, the “Zebra” building in Frankfurt’s European Quarter and the “Kite” office development in Cologne.

Warburg-HIH Invest Continues its Investment Strategy in European Hotspots

Warburg-HIH Invest also expanded in other European countries in 2019. Outside Germany, the company achieved a transaction volume of 609 million euros, out of which c. 569 million euros represent acquisitions. The transactions involved six countries other than Germany, most of them located in Eastern Europe. For instance, Warburg-HIH Invest acquired the assets River Garden 1 in Prague with a gross lettable area of 19,000 square metres and White House in Budapest with a gross lettable area of 22,300 square metres. On top of that, Warburg-HIH Invest advised a Korean investor on the purchase of the FENIKS office building in Warsaw. In Western Europe, Warburg-HIH Invest supported the acquisition of the Edge Amsterdam West project by Korean investors. The office scheme, which has 52,800 square metres of lettable area, is undergoing redevelopment to be comprehensively overhauled and restructured. Its completion is scheduled for March 2021.

Focus in 2020 on ESG Criteria

“In the year now underway, we will take a long, hard look at the subject of environmental, social and governance (ESG), which will quickly gain in significance for the real estate fund sector in the years ahead. We are engaged in an intense exchange with market insiders, industry associations and institutions toward this end. As it is, we have made ESG aspects an integral part of our business model, in line with our expectations in the future EU guidance,” commented Alexander Eggert.



In order to maintain our capacity to provide the same high standard of advice to our grown client base, Warburg-HIH Invest also expanded the institutional client business. Thorsten Aberle, Christian Classen and Mike Elsner have joined the Capital Management team to handle the accounts of savings banks, regional banks, insurance companies and pension funds.

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Warburg-HIH Invest**

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**Hans-Joachim Lehmann, Managing Director
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, the proximity to real estate markets and tight networking enables 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 11.2 billion euros worth of assets under administration in 68 investment funds.

More information can be found on the company's website at: www.warburg-hih.com/en