

HIH Invest Acquires Logistics Property in Mönchengladbach for New Logistics Fund

- About 7,050 square metres in total lettable area
- New-build asset has 55 car parking spots
- Fully tenant-occupied on five-year lease
- Property earmarked for new real estate special AIF

Hamburg, 1st June 2022 – HIH Invest Real Estate (“HIH Invest”) just acquired a property of 7,050 square metres from the Lange Family Office (LP MG GmbH) on behalf of its second logistics real estate fund. The acquisition took the form of an asset deal on behalf of “Deutschland+ Core Logistik Invest,” an open-ended special AIF managed by HIH Invest. The property on Hamburgergring 30 in the city of Mönchengladbach in western Germany represents an ESG compliant newly constructed building that is fully let to an internationally active e-commerce service provider. The lease has a term of five years. Well-suited for alternative use, the modern new-build property is defined by high-end efficient specifications and can be partitioned into six separate warehouse sections. The floor area divides into 6,050 square metres of logistics space and 1,000 square metres of office space. The plot, which extends over 14,370 square metres, includes 55 car parking spots.

Carsten Demmler, Managing Director of HIH Invest, elaborated: “When we started buying property for our first logistics fund in 2020, we entered the logistics market at the right time. In little over a year, the fund achieved its targeted volume of c. 500 million euros, and is fully invested with 13 assets now.” The cash-on-cash yield currently equals 4.52 percent p.a., the time-weighted rate of return (BVI method) 9.82 percent annually. Nine of the properties are or will be DGNB Silver or Gold certified, the logistics asset in Oerlenbach being the latest to get its DGNB Gold certification.

“Demand for logistics facilities, which continued to grow even during the pandemic, has driven a stable if modest rental growth in this segment in addition to ensuring a persistently high take-up. Among our investors, demand for logistics real estate for the purpose of diversifying their portfolio allocations remains very strong – which is what motivated us to launch a successor fund,” added Alexander Eggert, Managing Director of HIH Invest.

The second open-ended logistics special AIF, “Deutschland+ Core Logistik Invest,” aims for a target volume of 500 million euros or more. The projected distribution equals 3.5 to 4.0 percent annually, while the minimum subscription amount is five million euros. The fund’s target group includes institutional investors and financial institutions. As with the precursor fund, Germany is the main investment destination, being



home to the largest logistics market in Europe. About 30 percent of the fund capital is to be invested in neighbouring countries (Netherlands, France, Austria). The fund will be seeking an Article-8 fund certification.

To ensure transparency in accordance with the EU Sustainable Finance Disclosure Regulation (SFDR), it uses the in-house HIH ESG scoring model. The attributes to be measured include resource efficiency, social performance, user comfort & security, economic performance, and certification/governance.

Mönchengladbach is a major city in the Rhine-Ruhr metro region. The newly acquired property has direct access to the motorway network via the A61, A64 and A52 motorways. Given the proximity to metropolises like Dusseldorf or Cologne and to the Benelux countries, the location attracts a wide spectrum of industries. Among the logistics occupiers, for one, are major players such as Zalando, DHL and Amazon.

The pre-acquisition legal and tax due diligences were undertaken by Baker Tilly Rechtsanwaltsgesellschaft mbH, a law firm based in Frankfurt am Main. The technical and ESG due diligences were conducted by Stane Consulting, also domiciled in Frankfurt am Main. The seller side received legal counsel from Heuking Kühn Lüer Wojtek in Düsseldorf. Anteon in Düsseldorf, a member of German Property Partners (GPP), exclusively handled the transaction process for the seller and acted as advisor and intermediary.

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HIH Invest

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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 16.4 billion euros worth of assets under administration in 90 investment funds.

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