

EURAZEO CONTINUES TO EXPAND ITS REAL ESTATE INVESTMENT PORTFOLIO ACROSS EUROPE WITH FIRST GERMAN INVESTMENT

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Eurazeo, through its Real Estate team, has acquired a portfolio of six mixed-use commercial properties in fashionable Berlin boroughs from Gewerbesiedlungs-Gesellschaft mbH (GSG Berlin), a subsidiary of CPI Property Group.

The Portfolio comprises c. 34,000 sqm of lettable space in sought-after 'loft style' brick buildings, across the buoyant, well-connected Berlin submarkets of Kreuzberg, Schöneberg, Neukölln and Reinickendorf. The assets, located in supply constrained submarkets with rental levels which are below market rents, are ideal candidates for a refurbishment / (re)-development strategy, offering significant value creation potential through capex driven rental reversion.

Eurazeo has committed €74 million of equity to the investment including plans to undertake a selective capex program to modernize the assets and improve their sustainability profiles.

The transaction marks the first German investment in Eurazeo's latest pan-European real estate investment program, Eurazeo European Real Estate II, which is now successfully deployed across all its core markets including France, the United Kingdom, Spain and Italy. The program has been designed to complement Eurazeo Group's overall investment objectives, to generate optimal returns by targeting real estate assets and businesses with underlying properties, that have clear value-add potential.

So far Eurazeo European Real Estate II has made seven investments since it launched in 2020, which includes a UK multi-let portfolio in locations in and around London, a Spanish hotel portfolio primarily located in Madrid and Barcelona and an office campus in the well-established London office submarket of Farringdon.

Eurazeo is working on this transaction with operating partner Arax Properties.

Renaud Haberkorn, Managing Partner of Eurazeo, Head of the Real Assets, said:

« As the Berlin real estate market starts to mature, the focus shifts away from market headline growth to value creation via granular asset management. We have identified various levers to create additional value within this mixed-use portfolio, through site (re-)developments, densification and significant renovation of existing units. »

Riccardo Abello, Managing Director, Real Estate, added:

« While the Berlin portfolio offers substantial value creation potential, it also benefits from limited competition due to the constraints on future commercial supply in the densely built neighborhoods they are located in, and the property's unique loft-style architecture and brickwork character. »

ABOUT EURAZEO

- Eurazeo is a leading global investment group, with a diversified portfolio of €27.0 billion in Assets Under Management (as of September 30), including €19.2 billion from third parties, invested in 450 companies. With its considerable private equity, private debt, real estate and infrastructure expertise, Eurazeo accompanies companies of all sizes, supporting their development through the commitment of its nearly 300 professionals and by offering deep sector expertise, a gateway to global markets, and a responsible and stable foothold for transformational growth. Its solid institutional and family shareholder base, robust financial structure free of structural debt, and flexible investment horizon enable Eurazeo to support its companies over the long term.
- Eurazeo has offices in Paris, New York, Sao Paulo, Seoul, Shanghai, Singapore, London, Luxembourg, Frankfurt, Berlin and Madrid.
- Eurazeo is listed on Euronext Paris.
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