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GPEP launches food retail fund for institutional investors

Asset and property manager GPEP has teamed with Hamburg-based HansaInvest Hanseatische Investment to launch an institutional fund for discount stores, supermarkets, retail centres and retail parks.

The fund invests in established properties with stable long-term leases, as well as properties characterised by a low vacancy rate and short-term leases. The aim is to generate increases in value through active asset management. It is intended to further develop the newly incepted fund by seeking additional capital commitments. The current investors are a major insurance company and a renowned German investment management company.

The initial portfolio consists of 68 well-established properties with a rentable space of approximately 122,000 sq m. Ninety per cent of the properties are spread across the federal states of Bavaria, Hesse, Lower Saxony and North Rhine-Westphalia. Over 85 per cent of the rental space is currently being leased to food retailers, two thirds of which count among the market leaders in this sector. The occupancy rate stands at approximately 98 per cent.

Patrizia AG is the seller of the portfolio. The parties have agreed to keep the purchase price confidential. VictoriaPartners acted as GPEP financial advisor in connection with the transaction. GSK Stoickmann provided legal advice.

"This transaction illustrates the undiminished appeal of this asset class to institutional investors looking for investments with an appropriate risk/return profile", says Herwart Reip, Managing Director of GPEP. "It also demonstrates GPEP's ability to coordinate and realise acquisitions on this scale in a timely manner, working together with specialised partners," adds Dagmar Schuster, who is responsible at GPEP for transaction management and the implementation of the investment vehicle.