



Catella European Residential fund generates 11.7% BVI return and modernises portfolio

- Catella Residential Investment Management GmbH optimises portfolio and sells residential properties in Erlangen and Copenhagen for a total of €25.5 million
- Acquisition of 305 serviced apartments for €33.8 million in Freiburg
- Best annual result for Catella European Residential since its launch in 2007

Berlin-based Catella Residential Investment Management GmbH (CRIM) is further optimising its €1.3 billion “Catella European Residential” fund. The company has sold properties in Erlangen and in Glostrup near Copenhagen for a total of €25.5 million and in turn invested more than €30 million in serviced apartments in Freiburg.

CRIM sold the property with 72 residential units in Glostrup for approximately €17 million, while its three properties in Erlangen were sold for €8.3 million. The buildings in Erlangen contain a total of 66 apartments. Advice on the sales was provided by JLL in Germany and Thylander Gruppen in Denmark.

“Since our fund was launched more than 10 years ago, we have systematically invested in prosperous economic regions and picked up on the trend of student housing at an early stage. Both our newly developed timing indicators and the integrated anti-fragility research by Nassim Taleb now enable us to give the portfolio an even more stable orientation,” explains Viktoria Hoffmann, manager of the Catella European Residential fund. “An example: After the financial crisis we were one of the first international investors to make acquisitions in Copenhagen in 2013 – and with the sale of the property in Glostrup we have now generated a return of 8.9% p.a. for our investors.”

Meanwhile, CRIM has expanded its portfolio with micro-living with the acquisition of 305 serviced apartments in Freiburg. The property is situated to the southwest of the city centre in a location that is well-suited for micro-apartments due to its proximity to several medium-sized companies. It is scheduled for completion in summer 2019. The university city of Freiburg has 230,000 residents and a strong economy, with the unemployment rate currently below 5%. More than half of its households are single-person and affordable housing is scarce. Around 34,000 students live in Freiburg.

“We have been investing successfully in student housing properties in university cities with a high quality of life for nearly 10 years. With this building, we are expanding the fund with temporary accommodation for the target group of young professionals and commuters. In times of increased land and construction costs, it is important to make affordable and flexible housing available to young professionals, too, with modern and compact apartments,” explains Hoffmann.

Catella European Residential has thus grown to a volume of €1.3 billion in real estate assets, including project developments still under construction. With a BVI performance of 11.7% for the calendar year 2018, it can look back on its most successful year since it was launched in December 2007. Investors have benefited from a performance of 7.7% p.a. since its launch.

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