

# Primonial's Finkbeiner sets a course for €500m German fund

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Imminent fundraising will mark entry into country's office sector



- **What** Primonial REIM Germany is preparing an impact fund to invest in office properties
- **Why** It wants to expand its German footprint to offices and apartments
- **What next** The firm will start approaching investors after completing the purchase of a first property

Primonial REIM Germany is preparing to make an entry into the German office market, *React News* can reveal.

The investment manager is working on an impact fund aimed at German, European and international investors that could spend €500m on offices in the next two years.

In an interview with *React News* at Mipim, CEO Peter Finkbeiner said that Primonial is looking for office properties with a value between €20m to €80m, located in Germany's top seven cities and selectively in other smaller cities. "Secondary locations bring stability to the portfolio, are cheaper to buy and reduce the cluster risk," he said. His team is currently working on the acquisition of a first office asset. Then they will start approaching investors for a possible manage-to-ESG vehicle.

"We are pursuing a decarbonisation concept with existing properties," Finkbeiner said. "Since most emissions in the real estate industry come from demolition and new construction, we focus on manage-to-ESG instead." The range of possible renovation measures extend from smart temperature control to regenerative heat generation and renewal of heating systems. A complete core renovation will only be considered in exceptional cases.



*“We continue to be very active in healthcare. At the same time, we are expanding our footprint in the German market to include offices and apartments”*

PETER FINKBEINER, PRIMONIAL REIM GERMANY

Most of Primonial REIM’s capital comes from French retail investors. To date, more than half of its €34.8bn in assets under management are part of SCPI funds. Its focus on club deals and institutional fund business is increasing.

Finkbeiner was the face of Lone Star in Germany until 2012. He was then the CEO of TLG and Isaria – both majority-owned by Lone Star – and became Primonial’s head of Germany in 2021, after Deutsche-Wohnen acquired Isaria, the Munich-based housing company. He plans to bring his private equity background to Primonial as well. “We take a hands-on management approach and will take advantage of opportunities,” he said.

Primonial REIM holds office properties worth about €15bn, almost exclusively in France. In Germany, its real estate portfolio totals more than €3bn, most of it in the healthcare segment, where Primonial sees itself as the European market leader. It had entered the German market in 2017 by acquiring the local care fund provider AviaRent.

“We continue to be very active in healthcare, as evidenced by the recently signed exclusivity agreement with Icade and the planned acquisition of the management of their €6.8bn portfolio,” Finkbeiner said. “At the same time, we are expanding our footprint in the German market to include offices and apartments, and investments are being made in hotel properties through our strategic partner Hova.”

Currently, there are no plans for a dedicated healthcare vehicle for Germany, Finkbeiner said, but potential acquisitions might be included in the pan-European funds spread across several countries. The first residential investments in Germany – forward deals for Frankfurt projects to be completed in the coming months – were also part of a pan-European strategy.