

Press Release

KINGSTONE launches investment fund for affordable housing in Germany

- **New-build construction projects in metro regions and conurbations to be acquired for the fund**
- **Fund to have a planned volume of 500 million euros**
- **60 percent of the investments are earmarked for subsidised housing**
- **Aiming for an average cash-on-cash return of 4.0 to 4.5 percent annually**
- **First equity commitment in the upper double digit millions secured**
- **Acquisitions in preparation, KINGSTONE accepting property offers**

Munich, 26 September 2024 – The investment manager KINGSTONE Real Estate (“KINGSTONE RE”) launches a new open-ended institutional real estate fund that will invest in affordable housing in Germany. It will have a projected fund volume of 500 million euros, with equity capital to account for c. 250 million euros thereof. The fund’s net cash-on-cash return is expected to average between 4.0 and 4.5 percent annually.

The plan is to invest in energy-efficient new-build housing construction. At least 60 percent of the investment volume is earmarked for subsidised housing. It is moreover intended to include senior-living accommodation and social infrastructure as an add-on component. The geographic focus will be on metro regions and conurbations across Germany, plus high-order centres and cities within the catchment area of metropolises. A first institutional investor already committed an amount in the high double-digit millions to the fund. HANSAINVEST Hanseatische Investment-Gesellschaft will act as the fund’s third-party AIFM. The fund is being advised by KINGSTONE Residential Investments, a subsidiary set up together with Pallino Real Estate.

Dr. Tim Schomberg, Managing Partner and co-founder of KINGSTONE RE, commented: “Creating affordable housing is, and will continue to be, one of the most pressing tasks of the years ahead. We are glad to be able to contribute to the effort with our newly launched fund, and to be offering a product that will potentially satisfy

the ESG requirements of institutional investors as well. At the same time, such residential investments, assuming index-linked rents, offer a low vacancy risk, high value retention and income streams of long-term predictability.”

Klaus Niewöhner-Pape, Member of the Advisory Board of KINGSTONE Residential Investments, added: “We are well-networked with experienced property developers who are about to complete and sell properties. We are also familiar with the complex nature of public funding programs in Germany, and know how to secure the maximum in eligible funding for any kind of project. By taking advantage of low-interest development loans and long fixing periods, we will largely avoid the volatile interest rates of debt funding.”

The “KINGSTONE Bezahlbares Wohnen Deutschland” fund meets the requirements of Article 8 of the Sustainable Finance Disclosure Regulation (OffV). In addition to the green focus on “sustainability in new-build construction,” KINGSTONE concentrates specifically on the social aspect. The goal is to provide affordable rental homes by securing a high share of publicly subsidised investments.

The initial seed portfolio is in the final stages of due diligence and negotiations. Schomberg commented: “We are currently reviewing a variety of assets and will soon announce our first acquisitions. That said, we are open to additional offers from property developers and other sellers.”

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About KINGSTONE Real Estate

KINGSTONE Real Estate is an institutional management-owned real estate investor offering a range of products and investment strategies in the markets of Germany and Central Europe that cover the entire return spectrum from core to opportunistic. Our focus in this line of business is on ESG products in the residential, office and healthcare segments. In addition, we also offer investment solutions in the area of real estate debt.



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