

Press Release

KINGSTONE RE buys residential developments in Mannheim, Nuremberg and Fürth from Ten Brinke

- **Three residential projects with a combined total of 180 residential units on about 15,700 square metres total rental space**
- **The majority of the apartments will be developed as affordable housing**
- **Purchase price total of 74 million euros taking into account expected grants totalling more than EUR 10 million**
- **Acquisitions for the new Article-8 real estate fund “KINGSTONE Bezahlbares Wohnen Deutschland”**

Munich, 24 October 2024 – Investment manager KINGSTONE Real Estate (“KINGSTONE RE”) just acquired three residential property developments—located in Mannheim, Nuremberg and Fürth—for its institutional real estate fund, “KINGSTONE Bezahlbares Wohnen Deutschland,” that was recently launched. The seller is Ten Brinke, which is acting as developer and contractor for the three projects.

The total purchase price adds up to c. 74 million euros. The portfolio benefits from construction grants exceeding 10 million euros and low-interest loans in the amount of over 30 million euros.

The three residential assets comprise a total of 180 residential units, a few small commercial units and a day care centre on a total rental area of around 15,700 square metres, with the majority of these units being publicly subsidised. In Mannheim, 60 apartments are being created in a first-line riverside location by the Altrhein. The development in Nuremberg will have 77 residential units in a central location and the one in Fürth 43 units. The housing estates in Mannheim and Fürth will be built to the KfW efficiency house 55 EE standard, the housing estate in Nuremberg to the KfW efficiency house 40 NH standard.

Simon Lieb, Managing Director at KINGSTONE Residential Investments, commented: “Our new fund met with lively interest among institutional investors. In new construction, subsidised housing is a segment that is currently of interest to investors due to the attractive distribution yields and is considered to be very secure due to

the predictable cash flows. ESG compliance is also an important building block for potential new investments on the investor side. In addition to their social character, the new buildings that have now been acquired also impress with their sustainable construction methods. In view of the high demand for affordable housing in Germany, we expect transaction figures in the subsidised segment to increase in the future."

Ansgar Pape, Managing Director at KINGSTONE Residential Investments and in charge of this transaction, elaborated further: "We managed to use the subsidies that came with the investments and low-interest loans in such a way that it enabled us to reconcile the developer's land- and construction-related requirements with the return expectations of our investors that were defined by a cash-flow-oriented valuation report. The low-interest development loans and the long fixed-interest period make us largely autonomous from volatile debt financing rates."

Jens Wantia, Managing Director of Ten Brinke Projektentwicklung Deutschland added: "We have noted keen demand for affordable apartments in many metro areas in Germany, and are strongly committed to the development of subsidised housing. What matters, given the parameters of the current market, is that we ensure a sound and trust-based collaboration between the public administration sector, funding agencies, investors and developers. Achieving this is the prerequisite for the speedy creation of the affordable apartments that are so urgently needed."

The recently launched fund, "KINGSTONE Bezahlbares Wohnen Deutschland," is advised by KINGSTONE Residential Investments, a subsidiary set up together with Pallino Real Estate. HANSAINVEST Hanseatische Investment-Gesellschaft will act as the fund's third-party AIFM.

The legal and tax due diligences were performed by the law firm of Heussen Rechtsanwalts-gesellschaft mbH in Munich. The due diligence was jointly conducted by Case Real Estate from Stuttgart, Arcadis Germany from Darmstadt and iib Consult from Schwetzingen.

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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.

For more information, go to: www.kingstone-group.de

About the Ten Brinke Group

With around 1,300 employees, an annual turnover of around one billion euros and 120 years of experience in the property sector, Ten Brinke is one of the leading family-run project development and construction companies with branches in Germany, the Netherlands, Spain, Portugal and Greece. Ten Brinke has also been active on the German market since 1972 and generates around 75 per cent of its total turnover in Germany. www.tenbrinke.com

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