

EXPO REAL 2024

NEWSLETTER

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Is a new market cycle beginning?

Market sentiment coming out of this year's EXPO certainly appeared more positive than it did twelve months ago. As over 40,000 participants from 75 countries and regions gathered in the Munich sunshine, there was a sense that the 'green shoots' of recovery are beginning to grow with transaction volumes beginning to gather pace. At the same time, some participants felt that pricing in certain sectors may still have further to fall and headwinds for many managers, particularly those with large office components, still remain.

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Wanted: value add deals

Private equity capital are more excited about being able to achieve double-digit returns in the German market. Simultaneously, with few NPL portfolios coming out of the banks and pricing seemingly having not bottomed out just yet, investment professionals are still finding suitable deals elusive. However, with further pain likely to be seen as revaluations of assets continues, it feels like a matter of time before private equity's 'Tag in der Sonne' returns again.

Office continues to struggle

Having been a constituent part of a real estate portfolio for many years, investors are continuing to shy away from the sector, fearful of holding 'stranded assets' in B and C locations where the costs of upgrading them to be compliant with ESG standards outweighs any expected return. Nevertheless, there were some more positive voices at Messestadt West, who felt that offices in good locations, or those that can be converted into another use, will remain investible.

Living leads the pack

When asking PE firms and institutional investment managers what asset classes are of interest going forward, the German and broader European living sector is high on the list. As structural trends favour the sector, firms such as Nuveen and PGIM have made key strategic hires at senior level to tackle the sector. Additionally, private equity owned portfolio companies, including those that have historically only had UK operations, are now making a push into the sector.

Vorsprung durch Technologie?

In order to set themselves up for future growth, several managers are looking to make their operations more efficient. One senior investment professional commented that, with the growth of AI and a need for a data-driven approach to investing, LPs are likely to be increasingly scrutinous of what systems and processes a manager uses internally. However, in tough times, tight margins inhibit the high upfront costs of digital investments, meaning that several firms are scratching their heads and asking the question: "Ist es lohnenswert?"

Investor interest returns?

The sense across the Messegelände was that 2023 was a dire year for capital raising and 2024 has remained a struggle, especially for those tasked with raising for core real estate funds. However, more recently, fund raisers have reported increased interest in the sector from LPs, in particular those based further afield such the Middle East and certain parts of Asia. This year, Saudi Arabia made its first-ever appearance at EXPO Real, looking to build strategic relationships in the European real estate market.

An active debt market

Speaking to lenders at the fairground, banks and debt funds alike all reported they were busy with new transactions and keen to do deals. Banks are lending again but with a muted risk appetite and a focus on core real estate. This leaves opportunities for debt funds to finance value add real estate and invest higher up the capital stack. On the other hand, many lenders, particularly those with a predominantly German sponsor base, continue to face challenges in their existing portfolio. Additionally, several debt fund managers reported that LP interest in debt products had not outpaced the commitment to equity products at the levels expected.

A hiring market picking up pace

Although layoffs continue at brokerage and development companies and several firms feel they have a full bench on the transactions side, value add asset managers, finance professionals, lenders and capital raisers with deep networks remain in high demand. Moreover, with carried interest still not being the golden ticket it was a few years ago, many senior professionals are considering where to position themselves for the next cycle.

Continued need for a diverse team

The men in suits still made up the majority of participants at this year's EXPO, though there is an increasing consciousness of the need for diversity in the real estate sector. The industry network "Frauen in Führung" this year celebrated its 5th birthday and Bohill Partners co-hosted a dinner for female real estate leaders from across Europe for the second year running.

After three jam-packed days at EXPO 2024, we return with a sense that the "Marktstimmung" is now more positive than last October. With transaction activity beginning to slowly gather pace and the future of sectors such as living and alternatives looking bright, it feels like we are at the start of a new real estate cycle. It was good to mingle with likeminded people and see the Savills cubes humming with activity again.

The above trends are clearly reflected in our areas of activity. Please do get in touch if you would like to discuss and hear our observations of the market.



*EXPO International Ladies Dinner
in collaboration with First Growth Real
Estate*

A roundup of the latest market moves

New Ventures

Jessica Hardman has Co-Founded Aboria Capital. She was previously Chief Executive Officer UK at DWS.

John Kehoe has founded Loyola Investment Management where he will take on the role of Managing Director. He has left his role at BCP Capital where he was Chief Executive Officer.

Fritz Stoessel and **Alan Brianti** have launched Peterborough Capital. Stoessel was previously Managing Director, Partner at Sector7 Investors and Brianti was most recently CFO at The Mareterra Project. They had previously worked together at Goldman Sachs.

Rob Brook, Adrian McStay and **Teresa Dyer**, former executives from Patrizia, CBRE and M7 Real Estate, have teamed up to launch Staybrook.

Ex-Principal Real Estate Europe Chief Executive Office **Andrew Thornton** has founded Enterprise Land.

Alex Price, the former chief executive of Fiera Real Estate UK, has just launched Ashen Capital with former colleague **Steve Wright**.

Board Appointments

Baroness Louise Casey of Blackstock has been appointed Non-Executive Director at Landsec.

Swiss Life Asset Management have appointed **Jenny Buck** as Non-Executive Chairman.

Cainvest have recruited **Massimo Cecchi** as their Chairman. He leaves Aquileia Capital Services where he was Chief Real Estate Officer.

Laure Duhot has taken on a non-executive role at ASK4 as Chairperson.

C-Suite Appointments

Eric Adler has moved from PGIM Private Alternatives, where he was President and Chief Executive Officer, to L&G, where he will be Chief Executive Officer, Asset Management.

Kinetic Capital have appointed **Paddy Allen** as Chief Executive Officer. His previous role was Head of Operational Capital Markets at Colliers.

SGS Group have appointed **Claire Barber** as their new Chief Executive Officer. She was previously Group Asset Management Director at Unite.

Martijn Vos leaves Abu Dhabi Investment Council where he was Head of Real Estate, Europe and becomes Scape Group's Chief Executive Officer, Europe.

Arno Schwalie has been appointed Chief Executive Officer, Central & Northern Europe at B&B Hotels. His previous role was Chief Executive Officer at Lindner Hotel Group.

Copenhagen Infrastructure Partners have recruited **Anil Mangla** as Chief Operating Officer of Global Distribution. His previous role was as Global Head of Operations at Sera Global.

Ben Segelman has been appointed Chief Operating Officer at Brookfield's European logistics platform; he leaves DHL Supply Chain where he was Global Head of Capital Markets.

James Beaumont has been appointed Chief Financial Officer, Europe at Cortland and leaves Industrials REIT where he was Chief Financial Officer.

Senior Executive Appointments

CPPIB have recruited **Sophie van Oosterom** as Global Head of Real Estate. She leaves Schroders where she had the same title.

Benedikt Rösel has been appointed Co-Head of Global Real Estate at Cara Real Estate, leaving Tishman Speyer where he was Head of Asset Management for Germany.

Logicor have recruited **Janica Gerecke** as their Country Head for Germany, who was previously a Member of the Executive Board at GARBE Industrial Real Estate.

Nadine Feingold has been appointed Managing Director at Silverpoint. Previously she held the role of Senior Vice President at Cerberus.

Adam Isaacs leaves Brockton Everlast, where he was Managing Director, and joins Praxis Capital where he will have the role of Managing Director, Investments.

Innovo Group have appointed **Brendan Moss** as Managing Director. His previous role was at Auriens Group where he was Head of Development.

Brendan Nerbonne has joined One Rock Capital Partners as Managing Director, Capital Formation, leaving Mubadala Capital where he was Senior Principal.

Jay Squier has been appointed Managing Director of Development and Asset Management at Henley and has left Native Land where he was Executive Director.

Lennart Weinhold has started a new role of Managing Director, Debt at Edmond de Rothschild Real Estate Investment Management. He leaves Cheyne Capital where he was Managing Director.

Vengrove have recruited **Korbinian Kirchner** as Partner, Head of Germany. He was previously a Senior Vice President at Valor Real Estate Partners.

Bridge Industrial have hired **Mike Best** as their Head of UK. He leaves British Land where he was Head of Logistics.

Shaun Connery has joined Affinius Capital as Head of European Debt and leaves AIG where he was Managing Director.

Nadine Gelke has joined CBRE Germany to be their Head of Data Centres. Her previous role was Director, Real Estate Acquisition & Sourcing at Barings Germany.

Alexandra Lanni has been appointed Head of Credit, Europe at Arrow Capital Partners. Her previous role was Head of Investments, Credit Strategies EMEA at CBRE Investment Management.

MARKET MOVES

Invesco have recruited **Heike Martin** as their Head of Investment DACH and Netherlands; she leaves OTEC where she was Director of Development.

Morten Olesen has been appointed Head of Housing & Alternatives, Germany at Nuveen. He was previously Head of Development at FFIRE Immobilienverwaltung.

Generali Real Estate have hired **Michiel te Paske** as Head of Investor Relations and Capital Raising. He previously was working as an advisor on various real estate projects.

Lisa Strohbücker starts a new role as Head of Investments, Germany at Heimstaden. She was previously self-employed.

KGAL have recruited **Caroline Vormann** as Head of Institutional Business, leaving her role as Senior Coverage Banker Insurance at HSBC.

Philip Radner has joined Tristan Capital Partners as Executive Director in their Capital Raising team focused on the DACH region. He previously was a Principal with Victori Partners in Frankfurt.

Arini have hired **Omar El-Masri** as part of their real estate debt and special situations team. Previously he was Director at HIG Capital.

Inhabeo have appointed **Jonas Heins** as Director of European Investment. He moves to London from Zurich where he was an Investment Manager at Aventicum/UBS.

CBRE have appointed **Alexandra Hayate** as Senior Director, Client Solutions. Her previous role was as Vice President at Brookfield Asset Management.

Tristan Freeman-Sear has joined KKR in New York as a Director within the private equity real estate team, leaving his previous role as Vice President at The Carlyle Group in London.

Sabina Wyss di Corrado joins Terra Firma Capital Partners as Principal, Hospitality and leaves Aimbridge Hospitality where she was Vice President Development, EMEA.

Akaash Shah has started a new role at Madison International Realty where he is Vice President, Investments. His previous role was Principal at Accord Group Holdings.