

PRESS RELEASE

Redevco to drive into new real estate sectors and broaden investor base targeting €10 billion AuM by 2025

Amsterdam, March 12, 2020 - Redevco, one of the largest privately-owned real estate investment managers in Europe, aims to grow its mandates and portfolio to €10 billion by 2025 from €7.5 billion currently, by launching a drive into new real estate sectors beyond retail. Third-party investors now comprise 40% of Redevco's capital base at €2.8 billion, compared with zero six years ago. The company is extending the opening of its investment platform to like-minded investors and will consider a variety of investment vehicles to broaden its investor base, with an initial focus on joint ventures.

Andrew Vaughan, Redevco CEO, said: "Urban areas are changing rapidly and, in parallel, also the demands on the use of real estate space. Redevco's research-led insights into the dynamic forces that are driving the evolution of city landscapes have always steered our investment strategies and allowed us to keep on top of these fast-moving market trends." **Vaughan continues:** "So, we see a great opportunity to leverage our pan-European investment platform and local specialist teams across 13 national markets to substantially grow the portfolio over the next five years. By partnering with a broader spectrum of like-minded investors and diversifying into new property sectors, such as offices and last-mile logistics, we will further build on the success we've already achieved in residential markets in the past 18 months. Future investments will largely be concentrated in mixed-use urban locations, as the blurring of boundaries between real estate asset classes accelerates."

Strong performance and future-proof portfolio

Redevco's core retail real estate portfolio has substantially outperformed the European investment benchmark for the past decade. This reflects the manager's successful portfolio restructuring to strengthen its position in locations and segments that are the most resilient to the seismic changes in the retail landscape.

At the end of 2019, Redevco managed a total of 301 retail assets across European markets, a decline of more than 60% from 2011, when it began divesting properties that no longer matched its strategic investment view. The value of the portfolio has ticked higher to €7.5 billion compared with €7.3 billion in 2016, although the number of properties has fallen by 23% in the past three years alone. This clearly demonstrates that the individual size and quality of the underlying assets have increase despite the deteriorating market background.

Re-letting and re-purposing

Redevco has also significantly restructured the share of different retail segments within its portfolio. Some 75% of the investment manager's acquisitions in the past five years have been outside of fashion retail, which in the past comprised by far the greatest proportion of rental income. Today less than 50% of the rental roll is in fashion retail, with 16% in popular urban leisure segments like theatres, cinemas and Food & Beverage concepts. At the asset level, active portfolio management has included re-leasing to extend the tenant mix and re-purpose space for other types of tenants such as F&B outlets, museums, flagship or brand experience stores, that fall outside the traditional retail brands.

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Andrew Vaughan concluded: "We have taken huge strides in restructuring our core retail portfolio in the past few years, while maintaining a very healthy level of returns for our investors. Future proofing also means improving the sustainability of our assets. Towards the end of last year, we committed to making our entire portfolio Net Zero Carbon by 2040. Through four signature projects related to a retail transformation scheme, a residential development, an inner-city shopping centre refurbishment and on-site renewable energy generation innovations, we are stepping up our part in the fight against global warming."

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About Redevco:

Redevco, part of COFRA Holding AG, is a real estate investment management company with a clear focus on vibrant places across Europe. As the partner in urban real estate we invest in properties with a view to developing future-proof buildings in dynamic urban locations where people want to live, work and play. Our specialist investment strategies, local real estate knowledge and the scale of our pan-European platform enable us to create value for both our investor clients and occupiers. Our highly experienced professionals purchase, develop, let and manage properties, ensuring that the portfolios optimally reflect the needs of our clients. We believe in long-term investments where quality and sustainability are key. We have close to 300 assets under management with a total portfolio value of about €7.5 billion.

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