

Record institutional deal sees fund buy country's biggest office complex

# Heitman grabs €90m slice of Slovakian offices

Andrea Carpenter

Heitman has bought a €90m office portfolio in Bratislava in Slovakia's largest ever institutional deal.

The purchase by the US fund manager's Central European Property Partners II fund – making its debut in the country – comprises two office buildings of 21,000m<sup>2</sup> and a new 35,000m<sup>2</sup> building. No yield is being released, but it is understood to be above 10%.

Tenants at the office complex, the largest in Slovakia, include Orange, Accenture, SAP, Whirlpool and Alcatel. Financing for the deal was

provided by HVB-Slovakia.

The existing buildings were bought in a joint venture with developer BSR Europe, while the new building, which is yet to be fully leased, is wholly owned by the fund.

Chris Merrill, managing director of Heitman's international private real estate equity group, said the company had been researching the market for around 18 months. "Due diligence is more difficult to complete than in central European markets, as there have not been many trades," he said.

But he added that it was possible to buy assets at three to four percentage points above

western yields, in a market that is just 45 minutes drive from Vienna. This proximity to the Austrian capital is one of the country's main attractions, together with the fact that it offers cheaper labour.

Merrill said unlike central European markets, Slovakia also had available office product, as well as retail and industrial.

The acquisition is HCEPP II's sixth. Heitman was advised by law firm Salans and Cernejova & Hrbek.

UK fund manager Patron Capital entered the market last month, when it bought the 168-room Bratislava Carlton Hotel for €60m.

## Grosvenor funds French shopping

Grosvenor Continental Europe is to forward fund the commercial elements of a development in Rouen, northern France, for €11.5m – representing an initial yield of around 8%.

Espace Claude Monet-Cathedral, a mixed-use redevelopment, totals 7,500m<sup>2</sup>. Grosvenor is acquiring 2,408m<sup>2</sup>, including retail areas and conference rooms.

The building sits at the junction of place de la Cathédral and rue des Carmes, a popular shopping street.

Grosvenor Continental Europe's managing director Neil Jones said: "We are buying strong retail in the French provinces and have more deals in the pipeline."

The company's previous French acquisitions include a 5,100m<sup>2</sup> prime retail property in Bordeaux, bought in 2003.



Crystal Park: fully let after standing empty for nine months following completion

## German fund KanAm picks up giant Paris park

German open-ended fund manager KanAm has paid €450m for French developer Générale Continentale Investissements' Crystal Park, in Paris's largest single-asset sale.

KanAm bought the 45,000m<sup>2</sup> scheme in Neuilly-sur-Seine, in western Paris, for its Grundinvest fund. The deal reflected a sub-6% yield and followed PricewaterhouseCoopers' signing of a 12-year lease for 32,000m<sup>2</sup>. This completed the letting of the two-building

scheme, which has 39,000m<sup>2</sup> of office space. Rents have not been disclosed but are thought to be more than €600 per m<sup>2</sup> pa. The PwC deal also includes fit-out costs.

The scheme, developed in a joint venture with Goldman Sachs' Whitehall fund, stood empty for nine months following its completion.

ATIS REAL Auguste-Thouard advised KanAm and was letting agent, along with Jones Lang LaSalle and Cushman & Wakefield Healey & Baker.

## L&R check Finland with 300m deal

London & Regional bought a portfolio of Dividur in Finland. No financial details were released, but property consultants put the value of the portfolio at just over €300m.

The transaction took more than a year to complete as there were several owners. Regional bought the Sampo and Nordea stakes respectively – a 32.8% and a 32.8% stake respectively – from insurer Ilmarinen.

Thomas Lindenberg, director of L&R's Nordic operations, said the purchase of Finland's biggest housing fund created a platform for growth in the region. "We have always achieved strongly linked to overall growth," he said.

The sale has opened up opportunities for Finland state-owned property. Kapiteeli to sell its €1.5bn portfolio, said Kapiteeli executive Kari Inkinen.

## Italy sells 4bn into three-part fund

The Italian government is to sell up to €4bn of property, replacing it in a fund. It is the first time the state has sold property using a property vehicle.

The fund will include more than 400 properties, split into three portfolios, managed by Banca Finnat, Banca di Napoli and Banca del Lavoro and Pirelli. The state will lease back the properties.

Meanwhile, property manager Aedes is taking a 5% stake in Bipiemme Real Estate. Management partner is Banca Popolare di Milano.

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