

PRESS RELEASE

BF.capital Grants Two Whole Loans over a Total Amount of 50 Million Euros

- Funds are earmarked for land acquisition financing in Berlin and the Rhine-Main region
- First tranche of a 300-million-euro mandate by a major insurance company
- LTV ratio of 75 percent for the two land financing deals
- Borrowers are the developers Pantera and NORSK Deutschland AG

Stuttgart, 21 September 2020 – BF.capital GmbH, an institutional investment house in the area of real estate financing debt, just granted the first two financing arrangements within the framework of its mandate by a major German insurance company. The mandate adds up to a total amount of 300 million euros. Together, the two whole loans total c. 50 million euros. Both will be used to acquire development plots. The arrangement secures the funding for the time until the development rights have been secured. The loan-to-value (LTV) ratio is about 75 percent in either case. Recipients of the two loans are the property developer Pantera AG based in Cologne and property investor and developer NORSK Deutschland AG based in Frankfurt.

One of the properties is located in Berlin. Ideally, the property is to be developed with buildings for medical facilities and associable infrastructure such as clinic-related accommodation. The second building plot is located in the Rhine-Main metro area. The plans here call for the development of residential units supplemented by subsidised housing construction.

Manuel Köppel, Managing Director of BF.capital, elaborated on the background: “The two projects nicely illustrate a typical situation for the use of whole loans: the acquisition of plots whenever the building-law situation is still awaiting further development in order to leverage additional potential. An important criterion for us is that we must have reason to assume that the sought development rights will indeed be granted—for example, on the evidence of an issued planning consent—so that the definitive prerequisites for the exit and the repayment of the borrowed funds before the end of the financing term are in place.”

Jan von Graffen, Managing Director of BF.capital, added: “The two examples show how attractive real estate debt investments are for institutional investors. They permit short-maturity property investments with an attractive coupon.”

Manuel Köppel also touched upon the current situation: “Classic banks have become more reticent during the coronavirus crisis – even with sound projects. This opens up opportunities for us as alternative financiers. Assuming suitable financing situations, whole-loan structures let us go as high as 80 percent of the market value, whereas conventional real estate lenders are often limited to lower gearing ratios by statutory and by their own internal mortgage lending requirements.”

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About BF.capital GmbH

BF.capital is an investment house for institutional investors that concentrates on capital-market-focused end-to-end advisory services in commercial real estate financing. In this line of business, the company relies on product partners and settlement partners to structure real estate debt investments for institutional investors. In particular, the service spectrum of BF.capital includes auditing the projects to be financed and assisting investors with due diligences, structuring and the selection of service providers to ensure all relevant regulatory requirements are met. The services of BF.capital are intended for insurance companies, pension funds, in-

vestment funds, family offices and other institutional investors. In addition to in-house resources, BF.capital employs the know-how, network and market access of its parent company, BF.direkt AG, when integrating and preselecting transactions. The BF Group regularly arranges lending volumes of more than 1 billion euros per year, and thus facilitates an annual transaction volume of more the 1.5 billion euros.