

PRESS RELEASE
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With nearly € 450 million invested in healthcare real-estate assets across Europe since the beginning of the year, Primonial REIM confirms its leadership position and its strategy in this asset class

During Expo Real, a major international real-estate trade fair held from 11 to 13 October in Munich, Germany, Primonial REIM, Europe's leading player in healthcare real-estate asset management, asserted its leadership position in healthcare real-estate. Its aim: to invest massively across Europe in order to meet the significant anticipated increase in demand for healthcare real-estate assets come 2025.

Present since 2012 across all classes of healthcare real-estate assets (serviced accommodation for senior citizens, care homes, retirement homes, clinics, etc.), Primonial REIM is a true pioneer in this sector and is pursuing its growth throughout Europe via its 4 locally-based Primonial REIM entities in France, Germany, Luxembourg and Italy.

Since the beginning of 2021, Primonial REIM has invested 450 million euros in healthcare real-estate in the Euro Zone. Overall, healthcare real-estate now accounts for 32% of its assets under management.

Thanks to the acquisitions made since January, Primonial REIM now has 9 billion euros of assets under management, with more than 350 properties in its portfolio, spread across an extensive geographical territory spanning France, Germany, Spain, Portugal, Italy and Ireland.

Primonial REIM's recent investments include the following major transactions:

- In France: the D3T portfolio – sale and leaseback acquisition of 7 healthcare establishments (at a value of around € 252 million);
- In Germany: the Futura portfolio – acquisition of the last two real-estate assets of the “Futura” portfolio (at a value of around € 31.5 million), thereby fulfilling the agreement signed in March 2019 over the sale and leaseback acquisition of 12 old people's homes;
- In Italy: acquisition of an old people's home and of a clinic (at a value of around € 43 million);
- In Spain: acquisition of a portfolio of 2 old people's homes (at a value of around € 15 million).

A strategy designed to meet the new stakes and challenges in the healthcare field

The ongoing public health crisis has revealed a pressing need to increase investment in the healthcare field, and has highlighted the stakes and challenges linked to the primary long-term demographic trend in Europe—the ageing of the population—and its corollary, the need for a drastic increase in the infrastructure to deal with the consequences.

The crisis has also demonstrated the resilience of healthcare real-estate and has increased the demand of private and institutional investors for this non-cyclical asset class, with its limited volatility and stable, recurrent income streams thanks to the long-term leases signed with the tenant-operators.

“In Western countries, the demand for hospital treatment is rising at an increasing rate, as is the need for accommodation for old people. The statistics forecast a doubling of the population aged over 65 come 2050 in Europe. The healthcare real-estate sector is experiencing strong demand from the authorities. That is why, as the leader in healthcare real-estate in Europe, we have a key role to play in meeting the shortfall of supply in the sector, by actively pursuing our investments on behalf of our clients and also by acting as a partner to the tenant-operators to help fulfil their current and future requirements in terms of real-estate” said Juergen Fenk, CEO of Primonial REIM.

In order to implement its strategy Primonial REIM is able to call on the expertise of its various real-estate entities and their thorough knowledge of their local healthcare sectors, while capitalising on the synergies generated by the creation of a pan-European real-estate platform unveiled in September.

The strategic choices of Primonial REIM in healthcare real-estate are based around 4 fundamental policies:

- focusing on investments Europe-wide,
- developing long-term partnerships with national and international tenant-operators, across all classes of healthcare real-estate, in order to be able to cater to their requirements in a sector undergoing significant consolidation,
- positioning itself on both new assets and refurbishments, to ensure a recurrent pipeline of investments while modernising its portfolios,
- contributing to the financing of this socially-useful sector.

Primonial REIM also has a very significant pipeline of investments in healthcare that are due to complete by the end of the year 2021.

About Primonial REIM

Primonial REIM brings together more than 400 employees in France, Germany, Luxembourg and Italy and applies its core values of conviction and commitment, as well as its expertise on a European scale, to design and manage real estate funds for its national and international clients, whether individual or institutional.

Primonial REIM has €30 billion in assets under management. Its allocation breaks down into: 50% offices, 32% health / education, 10% commerce, 6% residential, 2% hotels. The pan-European platform manages 61 funds and brings together more than 80,000 investor clients, of which 54% are individuals and 46% institutional. Its real estate portfolio is made up of more than 1,400 buildings (offices, health / education, retail, residential, hotels) located in nine European countries.

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