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Germany/Acquisitions

### HPBA sets new in-house record on strong Berlin demand

Berlin off-market investment group **HPBA** has managed €800m of deals in the first half of 2017, setting a new record for the firm, its founder and CEO John Amram (*pictured, above*) told REFIRE this month.

'Last year, we did €1bn in total, so we might surpass that this year,' Amram said. 'Of the €800m, €600m was invested in the residential sector. 'We focus on Berlin because Germany – and Berlin in particular – remain very interesting to international investors.'

In addition to German investors, investors from the US, the UK and France are homing in on residential assets, particularly in Berlin, Amram said, 'They're bet-



ting on further growth in Berlin and are convinced that it will continue to develop in a positive manner. I think they're absolutely right. They see the city's catch-up potential compared to other major cities.'

However, international investors are going to have to battle it out with German investors, who continue to dominate Berlin, if they want to bag major deals. Around two-thirds of listed companies, open *Spezialfonds* and closed-end funds - as well as Family Offices investing in the German capital – are German, according to Amram.

HPBA has positioned itself as a boutique off-market specialist 'because every investor prefers off-market deals', Amram said. 'Demand for off-market deals has always been there because they offer more security. Compared to a structured bidding process, which can involve multiple would-be buyers chasing the same asset, you have a much higher chance of succeeding.'

Amram acknowledges that the German market has become tight. 'There's not much out there,' he admitted. 'You have to climb very high up the tree because all the low hanging fruit has gone.'

And as the market shifts, so does the type of investor, he said. 'Seven or eight years ago, investors bought based on yield expectations. Today, they are doing partial or full exits to generate better returns and they're looking more at alternative assets. I don't think there's a crash coming but it's fair to say that most asset classes have reached a plateau.'

Since the company was founded in 2009, HPBA has managed transactions worth more than €2.5bn, acting for both real estate buyers and sellers.