

PRESS RELEASE

Listed note on FAP core mezzanine debt fund receives investment-grade rating (“BBB+”)

Berlin, 22 March 2021 – A listed note investing in the core mezzanine debt fund by the FAP Group, a leading independent advisory company for capital raising and structuring for real estate investments, has received a “BBB+” rating from Creditreform. The note, which was already issued last year, is classified as an equity investor in the vehicle. It thus directly replicates the returns of FAP’s core mezzanine debt fund.

Creditreform particularly highlighted the quality of the properties that form the underlying of the loans, the amount of senior collateral on the portfolio level as well as the management’s experience. A further positive factor is the relatively low share of properties from asset classes negatively impacted by economic trends in the wake of the Covid-19 pandemic.

Hanno Kowalski, Managing Partner of FAP Invest, says: “Mezzanine financing with an investment-grade rating, outlook stable – we solved that seeming contradiction with the quality of the projects we finance and the experience of our management team. We thus offer investors an alternative access to the largely still untapped asset class of real estate private debt while at the same time minimizing the capital at risk.”

The FAP debt fund „FAP Balanced Real Estate Financing I”, which the company had launched at the end of 2018 to allocate subordinated capital to existing properties, revitalisation projects and developments in Germany, has distributed a volume of over €80m over the past months. Among the projects financed is a revitalisation on Düsseldorf’s Königsallee high street, the development of a plot in Frankfurt as well as financing the acquisition of a residential asset in central Berlin, close to the iconic KaDeWe department store.

The FAP Group brings together investors and capital seekers and offers solutions for any financing needs – from mezzanine capital to senior, bridge and whole loans. The group bundles the activities of the two business lines FAP Finance and FAP Invest. The latter is the investment advisor of the FAP debt fund.

About FAP

The FAP Group is an independent advisory company for capital raising and structuring for real estate investments and project developments. The group includes FAP Invest, a leading real estate investment platform for institutional investors with a focus on debt products, and FAP Finance, which provides advice on capital and financing issues. FAP structures both classic debt financing as well as mezzanine, equity and capital market products. These services secure the overall financing from debt capital and - if necessary - equity substitutes. FAP, headquartered in Berlin, was founded in 2005 by Curth-C. Flatow. Since then, the group has advised and structured capital with a volume of over €16 billion.

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