

News announcement

Verdion acquires new asset in Germany for €310 million VELF 1 fund

22 July 2021, Leipzig – Pan-European logistics real estate specialist Verdion has added a further asset to its VELF 1 fund, purchasing a 10,200 sq m logistics opportunity south of Leipzig from wholesale business Franz Kerstin.

It is the sixth addition to the fund and part of an acquisition programme focused on value-add potential in strategic locations across Northern Europe. Around half its €310 million capital will be allocated to Germany, with the remainder covering the Nordics, Benelux and opportunistic investments in CEE.

The 40,000 sqm site at Patterken 11, 06686 Lützen, is located close to the key motorway A9. It currently accommodates two longstanding tenants in a 10,200 sq m building and offers potential to more than double the amount of industrial and warehouse space within the site boundary.

Starting later this year Verdion will construct a 12,000 sqm modern logistics facility on a speculative basis ready for completion in summer 2022. Verdion will additionally invest €10 million in the site for the speculative development as well as partially refurbishing the existing building.

Oliver Kemper, Senior Investment Manager at Verdion said: “This is another attractive acquisition for the fund as part of our ongoing investment programme. Last year Leipzig’s logistics market was the fourth largest in Germany and it is especially dynamic at the moment, due to the availability of labour and overall costs.

Florian Stöbe, Head of Investment – Germany, at Verdion said: “This leasing profile and capacity for additional development gives us the opportunity to capture potential rental growth in the medium term. At the same time, we are creating long-term value through this new development, which will be built speculatively in response to strong regional demand. The site fits well with the VELF1 strategy of adding

value through active asset management as well as additional development, and its location balances other acquisitions in the north, west and centre of the country.”

The deal follows Verdion’s acquisition of a logistics park in Lohfelden near Kassel in February this year, which comprises 16,000 sq m of logistics and industrial and 3,850 sq m of office space across three properties offering potential for the development of a further 8,000 sq m of leasable space.

Earlier this month Verdion started on site with the latest development of a VELF1 asset in Gallin, near Hamburg, starting to create a 11,800 sq m state-of-the-art facility for fruit and vegetable producer organisation EO Mecklenburger Ernte that will be completed at the end of this year to BREEAM Very Good standard.

REC and GSK advised Verdion. Seller Franz Kerstin was advised by JLL and Rödl & Partner.

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About Verdion

Verdion is a real estate investor, developer and asset manager, specialising in the industrial and logistics sector and operating across Europe. Verdion develops high specification facilities for major e-commerce, manufacturing and third-party logistics clients; it acquires strategic development land, and it buys income producing assets with potential for added value through technical innovation and development expertise. Headquartered in London, with offices in Düsseldorf, Frankfurt, Copenhagen and Gothenburg, the company was founded by Michael Hughes in January 2010. It has since created a €1.5 billion European logistics portfolio comprising both new developments and existing assets for value-add investment strategies across Germany, the UK, the Nordics, Benelux and Czechia. Its current development pipeline exceeds 1.5 million sq m (16 million sq ft).

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