

SE The Week in European Real Estate; Exclusive

HD Weekly news through Sept. 19

BY Ruth Heer

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Move of the week

Westfield Corp. Ltd. is rumored to be seeking an entry into the French market. Apparently, the Australian mall giant is in talks with a unit of supermarket chain Auchan to develop a mall in the southern city Plaine du Var, near Nice. The project has an investment tag of up to €400 million and an end value in excess of €1 billion. Completion is scheduled for 2015. Also in the running for the contract is French developer Klépierre, which is set to take over Dutch peer Corio NV. According to Australian media reports, Westfield has held talks "with multiple parties" to get their feet on French soil.

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A few weeks earlier, the mall developer raised its bet on Italy and wider Europe, upping its stake in a €1.4 billion project in Milan. At the time, co-chief and Westfield founder Steven Lowy was cited as saying that the company had the capital to examine other opportunities and "a very serious base in Europe" out of its London office.

Other market news

* In separate deals, Blackstone Group LP struck two office deals in Germany's financial hub of Frankfurt. The firm reportedly paid €250 million to buy the MesseTurm office tower from GLL Real Estate Partners and spent more than €100 million for the purchase of the Pollux building from IVG Immobilien AG.

The latter company exited insolvency the same week, after the District Court in Bonn, lifted the insolvency proceedings for IVG's assets. The resolution enabled the company to operate without restrictions again. Now largely owned by hedge and opportunity funds that took control in a €2.2 billion debt-for-equity swap, IVG reportedly eyes a return to the capital market.

Meanwhile, efforts to sell the Gherkin in London's City were stepped up in the U.S. The asset used to be jointly owned by IVG, but fell into receivership in April and is being marketed by Savills and Deloitte with a price tag of some \$1.1 billion. Following Savills' acquisition of U.S. brokerage firm Studley Inc., one of New York's best-known salespeople is now said to be pulling the strings to attract more suitable buyers. Woody Heller is rumored to have lined up more than 20 meetings with parties interested in 30 St. Mary Axe.

* Peter Verwer, CEO of the APREA, touched on the capital market appetite for sustainability. As far as real estate is concerned, Verwer stated in a letter to APREA members that sustainability related income streams and "true-to-label product" could access deep pools of long-term capital at attractive rates. He noted, "Green real estate portfolios can deliver total return premiums to the mainstream market." Unibail-Rodamco SE's green bond launch earlier this year was a testament to this enormous interest in climate-themed projects, Verwer highlighted, describing the REIT's debut in the field as a "stunning success."

M&A activity

China-based conglomerate Fosun International has made a counterbid for Club Méditerranée, adding fuel to a heated battle with Italian businessman Andrea Bonomi. Alongside other investors, Fosun International offered to pay €22 per share and €23.23 for each convertible bond in the French resort operator, valuing the company at €839 million. Following the move, Bonomi is said to be considering raising his present offer of €21 per share. The Italian already owns a 10% stake in Club Med.

Widening the footprint

German real **estate** player PATRIZIA Immobilien AG has further widened its European territory and established a presence in Finland. The **firm** noted that the Finnish market had "great potential." After investing in **residential** and **commercial** real **estate** assets in Finland, PATRIZIA has now added its own team and an office in Helsinki. The office is managed by the PATRIZIA Nordics subsidiary, based in Copenhagen, which has some €550 **million** in AUM.

Liquidity path

* S IMMO AG seeks to issue a €100 **million** fixed-interest corporate bond with a maturity of five years, the Austrian **company** said Sept. 17. Erste **Group** Bank AG and Raiffeisen Bank International AG were mandated as joint **lead** managers. The **company** will provide further details on the offering upon finalization of the book building process Sept. 24. The subscription period is set to commence Sept. 29.

* Intu Properties Plc secured a new £163.2 **million** seven-year loan and revolving credit facilities with Wells Fargo Bank to refinance its 50% share in St David's Shopping Centre, Cardiff, Wales. The final maturity of the loan is July 2021, split into a £122.5 **million** term loan and a £40.7 **million** committed revolving credit facility, which is undrawn. The proceeds will be used to repay the **company's** £78 **million** share of the £156 **million** debt on the Welsh center, which matured at the end of August.

Now featured on SNL

The Eastern Front: COFCO Land extends its reach: **Chinese commercial property** developer COFCO Land's HK\$12.46 **billion acquisition** of shopping malls from its state-owned parent **company** paves the way for its long-term shift toward mixed-use projects, industry observers told SNL Financial.

IPO Monitor for the week ending Sept. 17: Six companies are looking to list in Norway, Germany, Australia, the United Arab Emirates, Thailand and **Hong Kong**.

Research Roundup: European Real **Estate** edition for week ending Sept. 18: The week saw price target updates on Irish **Residential**, TAG Immobilien and LEG Immobilien.

Hires and Fires: European, Asian real **estate** moves through Sept. 16: SNL Financial presents a weekly rundown of recent significant management and **board** changes and personnel moves in the European and Asia-Pacific real **estate** industries.

- CO** Icblim : Klepierre SA | vib : Corio NV | wmgqhk : Westfield Corporation Limited | westgp : Westfield Group | banqnp : BNP Paribas SA
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