

HD Life Insurance Companies; PREI(R), AP3 form joint venture to invest in German retail properties

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2014 JUN 24 (VerticalNews) -- By a News Reporter-Staff News Editor at **China** Weekly News -- Prudential Real **Estate** Investors and the Third Swedish National Pension Fund, AP3, announced they have formed a joint venture to invest in retail properties throughout Germany. The joint venture has acquired a first portfolio and agreed to acquire a second portfolio of grocery-anchored retail properties from funds managed by Taurus Investment Holdings, which remains a minority partner in both **transactions**. PREI(R) is the real **estate** investment and advisory business of Prudential Financial, Inc. (NYSE:PRU), which is headquartered in the United States.

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The joint venture is acquiring controlling stakes of the properties in two separate **transactions** totaling (EURO)265 million, or a little more than \$361 million. The first **transaction** closed in April and the second is expected to close in the second quarter, with Taurus remaining a minority investor in both instances. Combined, the entire portfolio comprises more than 200,000 square meters and 83 high yielding, grocery-anchored properties throughout Germany. Key tenants include such large German food retailers as REWE, Aldi, Lidl, Netto, NORMA and Tegut. The portfolio has centers located across Germany, including in Bavaria and Hesse, with properties near Munich, Frankfurt and Wiesbaden.

"The German market offers good prospects for retailers amid low unemployment, low household debt and rising wages," said Sebastiano Ferrante, PREI's head of Germany, where the **company** operates as Pramerica Real **Estate** Investors. "Grocery-anchored retail properties continue to fill a critical need in the market, despite the growth of online sales, leading some retailers to expand and providing our investors with attractive opportunities. We are delighted to partner with AP3 in this important Eurozone market."

Klas Akerback, senior portfolio manager at AP3, added, "We see a potential for attractive risk-adjusted returns in established German regional grocery-anchored retail, as the tenants are strong companies and existing sites will benefit because stricter planning rules make new construction difficult. I am very pleased to be working on this investment with Pramerica's experienced team."

Lorenz Reibling, founder and partner at Taurus, said: "We are pleased to have found a strong and experienced partner that enables us to continue Taurus Euro Retail Funds I & II, and are looking forward working with Pramerica and AP3. We share their positive outlook on the German retail real **estate** sector."

AP3 is one of five so-called buffer funds within the Swedish national pension system. AP3 manages a diversified global portfolio of listed equities, fixed income assets and alternative investments. Alternative investments consist of private equity, real **estate**, timberland, infrastructure assets and new strategies. The value of AP3's portfolio stood at SEK 258.5 billion on 31 December 2013.

Taurus Investment Holdings, LLC, is a real **estate** private equity **firm** founded in 1976 that acts as an owner, developer, operator and co-investor active in 30 markets around the world. Taurus was founded in Munich and is currently headquartered in Boston, MA. Taurus, together with its international private investors and strategic joint venture partners, leverages its local market proficiency and performance record to capitalize on select investment opportunities. Since inception, Taurus has acquired and **sold** more than 2 million square meters of **residential**, office, industrial, retail and other real **estate** assets. The investments under management are distributed globally and encompass an acquisition value of over 3 billion USD. For more information please visit <http://www.tiholdings.com>.

PREI is a leader in the global real **estate** investment management business, offering a broad range of investment vehicles that invest in private and public market opportunities in the United States, Europe, the Middle East, Asia, Australia and Latin America. Headquartered in Madison, N.J., the **company** also has offices in Atlanta, Chicago, Miami, New York, San Francisco, Frankfurt, Lisbon, London, Luxembourg, Munich, Paris, Abu Dhabi, Mexico City, Sao Paulo, **Hong Kong**, Seoul, Singapore, Sydney and Tokyo. In addition, PREI has representatives in Milan. Prudential Real **Estate** Investors had gross assets under management of USD \$55.8 billion (\$41.8 billion net), as of March 31, 2014. For more information, visit <http://www.prei.com>.

Prudential Financial, Inc. (NYSE:PRU), a financial services leader with more than \$1.1 trillion of assets under management as of March 31, 2014, has operations in the United States, Asia, Europe, and Latin America. Prudential's diverse and talented employees are committed to helping individual and institutional customers grow and protect their wealth through a variety of products and services, including life insurance, annuities, retirement-related services, mutual funds and investment management. In the U.S., Prudential's iconic Rock symbol has stood for strength, stability, expertise and innovation for more than a century. For more information, please visit www.news.prudential.com.

Keywords for this news article include: Asia, **China**, Industry, Real **Estate**, Banking and Finance, Financial Companies, Finance and Investment, Investment and Finance, Life Insurance Companies, Financial Service Companies.

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