

## Press Release

### FAP: Asians Set Their Sights on German Debt Investment Market

- **More than 40 participants at FAP investor event in Seoul**
- **Hanno Kowalski: Debt investments in Germany are “safe havens”**

**Berlin, December 3<sup>rd</sup>, 2019.** The FAP Group, one of the leading independent consulting firms for the structuring of capital for real estate investments and project developments in Germany and selected European markets, is observing a strongly growing interest of Asian investors in the German real estate market, particularly for real estate debt investments. At an event initiated by FAP Invest GmbH in Seoul, more than 40 renowned investors from Korea and other Asian countries informed themselves about real estate investments in Germany and Europe. According to FAP observations, the trend towards Alternative Investments can also be seen among South Korean institutional investors and the share of Alternative Investments in the total asset allocation is increasing. In terms of Alternative Investments, "debt", particularly real estate debt, is at the forefront. South Korean investors prefer mezzanine loans because of the return on investment.

Hanno Kowalski, Managing Director of FAP Invest GmbH: "Asian investors, especially Korean investors, are increasingly looking for real estate debt investments. With our event, we not only provided investors with abstract information about the market, but, using case studies and live investment possibilities, also showed them concrete investment opportunities. Investments in Europe are supported by a positive currency hedge (won to euro). This allows investors to leverage the return on investment again. Within Europe, Germany plays the most important role as a 'safe haven'. The interest is very high."

According to FAP findings, Asian investors provide large-volume capital for investments in real estate debt, usually from € 30 million per deal, whereby € 200 million per deal and more have also been invested. According to FAP research, the interest rate expectations are in the mid-single digit range, also for developments.

Hanno Kowalski: "Investors from Asia have recently experienced problems with development mezzanines abroad. Thus, investors are currently - i.e. temporarily and not fundamentally - focusing more on mezzanine for portfolio financing with a current cash flow when making a selection. The FAP Group, as an experienced and independent consulting firm for the structuring of capital for real estate investments and the mezzanine fund "FAP Balanced Real Estate Financing I" initiated by us, also offers such deal opportunities to new players in the European and German real estate market with tailor-made risk/return profiles and comprehensive support of the investment process."

### **About FAP Group**

The FAP Group is one of the leading independent consulting companies for the structuring of capital for real estate investments and project development in Germany and selected European markets. FAP was awarded the title of "Property Debt Investor of the Year" by the renowned Europe Property Finance Awards 2016 of the Magazine Property Investor Europe (PIE) and in November 2018 was recognized with "Mezzanine Lender of the Year"

The services of the one-stop single source agency ensure total financing from loan capital and when appropriate equity capital replacement funds. These services are among other things for transactions and projects, which is the reason for being engaged by buyers, sellers, investors, capital-seekers and agents.

FAP with its headquarters in Berlin was founded in 2005 by Curth-C. Flatow and has since then advised and structured capital at a volume of over € 14 billion.

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