

PRESS RELEASE

## **FAP Group attains conversion of FAP BREF I Debt Fund into Evergreen structure**

- **The closed-end FAP BREF I was successfully converted into an open-end fund with unlimited duration**
- **Total equity commitments expected to rise to €400m from the current €300m until end-2023**
- **Demand for alternative real estate finance remains high**

Berlin, 18 January 2023 – FAP Group, a leading independent advisory company specialized in raising and structuring capital for real estate investments and project developments, attained the conversion of the FAP Balanced Real Estate Financing I (“FAP BREF I”) from a closed-end into an open-end vehicle with unlimited duration (a so-called “Evergreen”).

Hanno Kowalski, Managing Partner of FAP Invest GmbH, says: “The conversion from a structure with limited duration into an Evergreen was incited by investor demand. Several parties wished to remain invested in the fund and are planning to raise their equity commitments.”

FAP expects additional commitments of around €100m for FAP BREF I by the end of this year. In the fourth quarter 2022, FAP BREF I noted new equity commitments of over €65m from existing investors – which are all German institutional backers. The fund currently has an overall equity volume of close to €300m. “The commitments came in a difficult market environment in which fund raising for real estate private debt funds hardly happened. This speaks volumes for the quality of our product and investor satisfaction,” adds Kowalski.

### **Strong performance**

FAP BREF I is structured defensively in terms of its assets, geographies, markets, leverage and LTV as well as its sponsors. It is thus the only core-mezzanine product for real estate financing in the German-speaking region.

Raphael B. Wowra, Senior Investment Manager of FAP Invest, says: “The market environment is volatile and classic lenders remain restrictive in their credit allocation. As a result, demand for alternative financing is set to rise again this year – and we are prepared for it.”

Greenberg Traurig and VICTORIAPARTNERS advised FAP on the restructuring of the FAP Fund SICAF-SIF into a SICAV-RAIF. VICTORIAPARTNERS also advises on the fundraising for FAP BREF I.

## **About FAP**

The FAP Group is an independent advisory company that specialises in raising and structuring capital for real estate investments and project developments. The Group comprises FAP Invest, a leading real estate investment platform for institutional investors with a focus on debt products, FAP Finance, which provides advice on all capital and financing issues to borrowers, and FAP Syndication & Capital Markets, an independent syndication desk which brings single lenders and groups of lenders together and offers access to raising debt capital on the capital market. FAP structures conventional debt finance 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. The group has since advised and structured capital with a volume of over €17 billion.

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