

PRESS RELEASE

## **New heavy hitter in the German real estate debt market: FAP launches billion-euro whole loan programme**

Berlin, 30 October 2024 – FAP Group, one of Germany’s leading independent advisors for raising and structuring capital for property investments and project developments, has been awarded a mandate from a major U.S. investor as investment advisor for the German debt finance market.

Under the mandate, FAP will, on behalf of the client, launch a whole loan programme with a total target size of EUR 1 billion. Disbursements will be made in flexible loan tranches ranging from EUR 30 million to EUR 300 million. The target borrowers are investors and project developers seeking solutions for debt refinancing, follow-on financing, or new financing. In addition, the programme is specifically also targeted at lenders looking for a strong replacement provider to relieve their strained balance sheets.

The U.S.-based client, one of the world’s largest credit investors, relies upon local managers for its Europe-wide debt strategy using a best-in-class selection process. Under this partnership, FAP will, as advisor for Germany, focus on loan origination and acquisition, including rigorous due diligence, as well as ongoing responsibility for credit management.

“With this mandate, we are internationalising our investor clientele and, to our knowledge, are the only debt provider in the German market bringing in fresh liquidity on such a significant scale. The programme is setting new standards in the current German real estate lending market: we are able to handle large tranches of up to EUR 300 million on our own, without having to bring in a lending partner,” explains Curth-C. Flatow, Managing Partner and founder of FAP Group. All asset classes are, in principle, open to consideration, with a focus on existing properties and transitional assets as well as project developments.

### **New opportunities in a market environment burdened by tight liquidity and increasing regulation**

Especially in the current financing environment with very tight liquidity, FAP can offer solutions for both new borrowers and existing debt holders while also supporting the necessary transformation processes.

“In the currently tense financing environment, we are partners prepared to take leverage risk and can - unlike many other lenders right now – provide financing up to 80 per cent loan-to cost depending on the situation,” explains Hanno Kowalski, Managing Partner at FAP Invest. “Moreover, our investor’s flexibility even enables us to selectively offer mezzanine capital under the same mandate.”

From FAP’s standpoint, the current business environment for new real estate debt is ideal, as the risk-return profile has improved significantly while the combination of a lack of market liquidity coupled with increasing regulatory burden is creating new opportunities for private debt providers.



## **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 €18 billion.

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