

Germany's Hamburg Team Investment Management plans urban quarter fund

Following the launch of its first institutional property fund, which targets €250m of residential investments across Germany, Hamburg Team Investment Management (HTIM) is looking into setting up an urban quarter fund, according to Managing Partner Nikolas Jorzick.

We are investigating the possibility of launching an urban quarter development fund next year," Jorzick told PIE in an exclusive interview. "We are currently in the concept phase and already talking to investors." He noted that a fund for a large mixed-use development may be moving against the current trend of pure-play, single-asset-class vehicles, but he said that the firm has long-term experience in the segment through its development arm. The Hamburg Team Group, HTIM's parent company, has invested in several such projects with a volume of €200m to €300m each, usually in joint ventures with partners such as CA Immo or Hochtief, Jorzick said. "We were mostly responsible for developing the residential buildings but also for hotels."

The group recently bought the former production facilities of Sartorius in Göttingen, for example. The quarter in the city's Nordstadt district will include around 450 flats and educational buildings for joint use by the Health Campus of HAWK University of Applied Sciences and Arts and Georg August University as well as hotel, gastronomy and start-up space. Jorzick did not comment on financial details of the investment. With close to 120,000 inhabitants, Göttingen is located in the southern part of the Hannover-Braunschweig-Göttingen-Wolfsburg European metropolitan region. As students make up around 20% of the population, its city life is characterised by the higher education sector.

Developer Hamburg Team was founded in 1997. With offices in Hamburg and Berlin, it now also offers investment services and asset management for institutional investors across Germany. Jorzick joined the firm to build the HTIM unit, which was launched in August 2015. He previously worked as general manager and head of the department for strategic operations and product development at Warburg-HIH Invest Real Estate, where he launched six funds with a total target investment volume of €1.5bn. He started his career in 2006 with HSH Real Estate / Advisory Services, part of North German landesbank HSH, where he was responsible for launching funds as well as advising listed property companies and family offices.

"After the creation of HTIM last year, we found that



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there was enough capital in the market but projects were scarce. So we initially concentrated on putting together a pipeline," Jorzick said. HTIM has launched its first institutional fund – an open-ended Special AIF, which targets €250m of residential investments in Hamburg, Berlin, Düsseldorf and Cologne and university cities in their vicinity. "We formed a partnership with Interboden, which will manage the fund properties in the Rhine-Ruhr region," Jorzick added. Based in Ratingen, which is located between Düsseldorf and Duisburg, the Interboden Group offers planning, development and property management services.

According to Jorzick, the majority of the €140m equity target of the fund has already been placed, and HTIM has also secured a seed portfolio. It comprises two projects valued at a combined €50m – one located in the Barmbek district of Hamburg with 100 flats and one in Berlin Charlottenburg with 90 units. The fund will invest in new residential properties and existing ones, which are located in up-and-coming areas and have potential for rental growth. It will also include subsidised housing. "Our developments all have a quota of around 30% of subsidised flats, as we believe this to be an integral part of a balanced, long-term investment," Jorzick commented. HTIM plans to reach the fund's full target volume over the next 24 months and targets a distribution yield of 4%. ■ pie