



17 November 2020

Europa Capital raises €350 million in first close for Europa Diversified Income Fund

Institutional investors from both Europe and Asia provide cornerstone capital

Europa Capital, the pan-European real estate investment manager, announces that it has raised €350 million in a first close of its new open-ended vehicle, the Europa Diversified Income Fund (“EDIF” or the “Fund”), with seed capital from its principal shareholder, Mitsubishi Estate Co., as well as backing from European and Asian institutional capital.

EDIF, which is designed for an international investor audience, is focused on creating stable and diversified income through investing in logistics, residential and offices. The Fund will capitalise on the structural changes of innovation and urbanisation, targeting strong economies in Western Europe, with a focus on France, Germany, the Netherlands and Denmark.

Through favourable sector weightings and leveraging Europa Capital’s value-add asset management skills, the Fund will aim to provide long-term outperformance of market benchmarks, for which ESG considerations are a key performance metric.

The initial seed portfolio, totalling c. €350 million of NAV, comprises a mix of logistics, residential and office investments. The portfolio, which has outperformed its market indices to date, is 99% occupied and has recorded 99% rent collection in both Q2 and Q3 2020, demonstrating its resilience during the COVID-19 pandemic. With accretive leverage, the Fund has capital remaining to deploy into further acquisitions to diversify the portfolio.

The Fund has also recently completed the acquisition, in partnership with Keystone Investment Management, of the first of three residential buildings in the Øresund region of Copenhagen.

Andy Watson, Partner & Fund Manager at Europa Capital, added: “EDIF represents a new brand of core fund. With no assets in retail and hospitality and no UK exposure, there are currently no legacies dragging on performance. EDIF is a fund that blends the principles of core investment with elements of value generation, leveraging Europa Capital’s 25 year track record in value add asset management.

“The momentum of this first close will lead to the further growth and diversification of the Fund with a broad range of international investors. Importantly, some two thirds of EDIF’s annual income is in logistics and residential which we see as the most resilient property sectors in this period of unusual uncertainty.”

Rob Sim, Managing Partner at Europa Capital, commented: “The launch of EDIF marks a major strategic milestone as we expand and diversify our fund management capabilities beyond value add to core investment leveraging our longstanding track record and expertise as we mark our 25th anniversary. EDIF also holds great significance to Mitsubishi Estate as a cornerstone investor and our majority shareholder, adding a European component to their global suite of open-ended core investment products, which already span the US and Asia.”

Europa Capital were advised by Greenberg Traurig.

ENDS

For further information, please contact:

Dido Laurimore/ Richard Sunderland/ Eve Kirmatzis/ Andrew Davis
FTI Consulting
Tel: 020 3727 1000
EuropaCapital@fticonsulting.com

Notes to Editors:

About Europa Capital:

Europa Capital is a dedicated real estate investment manager focused on the European markets. We specialise in investment through both equity and debt strategies where we employ our real estate asset management skills and experience to maximise value in all property classes across Europe.

Since its formation in 1995, Europa Capital has collectively raised thirteen real estate funds and committed to over 140 transactions totalling more than €11.9 billion across 21 European countries.

Europa Capital focusses on delivering compelling risk adjusted returns for a global audience of investors driven by real estate fundamentals spanning value-add, core/core plus and debt investment strategies.

Europa Capital is majority owned by Mitsubishi Estate Co. Ltd, one of the world's largest real estate groups, which is a strategic investor alongside Management. Europa Capital Partners LLP and Europa Capital LLP are authorised and regulated by the Financial Conduct Authority.

Further information can be found at www.europacapital.com