

2 October 2024

Civitas enters the German market with €300 million acquisition of later living assets

Civitas Investment Management Limited (“Civitas”), the UK’s largest investor in specialist community-based care real estate, has significantly progressed its continental European expansion strategy with the €300 million acquisition of 26 elderly care and assisted living homes predominantly located in Berlin and Hamburg, Germany from Deutsche Wohnen, a subsidiary of Vonovia SE, the largest listed residential landlord in Europe. Civitas has made the investment, on behalf of the Civitas European Social Infrastructure Fund.

Simultaneously, Civitas is entering into long-term lease agreements for the 3,000+ bed portfolio with Alloheim Group which will acquire the incumbent operator, Katharinenhof and will continue to deliver high-quality care and support for the residents. Alloheim is Germany’s number one care operator with 265 care and assisted living homes and has a strong positive reputation across the elderly care market.

Civitas European Social Infrastructure Fund was established in 2022 and invests in high-quality support and care-based community housing, education and healthcare facilities across a selection of major Western European markets. Civitas seeks investments with income underpinned by insurances, governments or local municipalities.

The portfolio will meet Civitas’ ESG investment criteria of delivering positive social impact in local communities and improved environmental considerations through an extensive capital expenditure programme which aims to see more half of the portfolio achieve an EPC rating A. In addition, Civitas and Alloheim have agreed green lease obligations which aim to minimise carbon emissions from the operation and occupation of the properties.

The acquisition is Civitas’ second investment in Europe, building on the €50 million acquisition of a Swedish social supported housing operator and underlying assets in 2022. The latest investment takes Civitas’ total European capital commitment to over €450 million and the company is actively seeking to expand across major Western European markets in social infrastructure assets targeting €1 billion to be deployed short term.



Nikolay Velev, Head of Europe, Civitas Investment Management commented:

“This investment is particularly important for Civitas, marking our entry into the German market and significantly expanding our European presence, where in the short to medium term we are seeking to deploy up to €1 billion into investments in high-quality assets and locations with strong operators.

“The European later living market is no longer a nascent sector but is an established and fast-growing segment. It represents a highly attractive risk-return proposition with inherent downside protection to our investors through its positive supply/demand imbalance, legislative and obligatory funding, and strict regulatory oversight to ensure quality of care provision. We are delighted to be partnering with Alloheim, a highly regarded care operator which shares our ethos of delivering exemplar customer service.”

Tom Rietz, Managing Director, Alloheim Group, commented:

“We are delighted to expand our footprint with the acquisition of a high-profile operator such as Katharinenhof and to enter into a new long-term partnership with Civitas with whom we share a common commitment to providing best in class care, support and suitable accommodation for the later living community. We look forward to expanding further our relationship with bolt-on acquisitions.”

Civitas was advised by TSC Real Estate, Greenberg Traurig, PwC, Drees & Sommer and Savills.

For further information please contact:

FTI Consulting

Richard Sunderland / Richard Gotla

+44 (0)203 727 1000 / civitas@fticonsulting.com

Notes to Editors:

About Civitas Investment Management Limited

Civitas is the UK's largest investor in specialist community-based care real estate, with over £3.5bn under advisory. The investment advisor is dedicated to achieving long-term sustainable returns for the Group's global investors by acquiring community-based living or education facilities and social housing assets that deliver positive social outcomes. Civitas' investments are supported by national governments and local municipalities that are themselves seeking to bring about positive societal change.

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