

PRESS RELEASE

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Cording secures fifth investment for £400 million UK private rented sector fund

Cording Real Estate Group, a member of the Edmond de Rothschild Real Estate investment management platform, has secured the fifth investment for its £400 million Cording UK Residential Investment Fund, which invests in the private rented sector (PRS) on behalf of Continental European investors.

The fund has agreed to forward fund a development of up to 160 apartments by Aimrok Development on the site of Wellington House in the centre of Leicester. Planning consent has already been obtained for the conversion of Wellington House, a 52,673 sq ft building that was built in the 1970s on the site of an old newspaper printing works and hosiery in Wellington Street. A planning application has been submitted for an additional 64 new-build units to be constructed on the roof and in the courtyard increasing the overall size of the development to 160 units.

If the larger, 160-unit Wellington House development is implemented, the total forward funding package will be £24.5 million. Construction, which will be carried out by Stepnell, will commence this month and is expected to be completed in the first quarter of 2022.

The acquisition of the Wellington House site follows closely from the fund's fourth investment last month, when it agreed to forward fund a build-to-rent development by High Street Residential on part of the site of the former Kent Street Baths in the centre of Birmingham for £49.7 million. The development will provide retail space, a café, gym and a residents' hub along with a minimum of 262 mainly one and two-bed apartments for rent, which may increase to 279 units, subject to planning consent for the additional 17.

Wellington House will be the fund's second in Leicester alongside Merlin Wharf which reflects Cording's confidence in the city's residential property market.

The two developments are different in shape and form and are likely to attract different tenant profiles. Wellington House is located closer to the city centre and just a five-minute walk from the main railway station, from where the train journey to London King's Cross takes around one hour, with trains running at least every 15 minutes. It will provide services, such as 100% fully-furnished apartments and wifi, cleaning and all other bills included within the rent.

Cording operates a vertically-integrated platform and will provide a lettings and management service for the completed development from its in-house PRS team.

Charlie Miller, director of residential acquisitions at Cording, said: "Cording's proprietary research forecasts a sustainable high demand for affordable, professionally-managed accommodation in Leicester. Wellington House will provide low rise, Greenwich Village-style living that will appeal to tenants who want to live in the centre of Leicester".

The Cording UK Residential Investment Fund was launched in August 2018 with equity commitments of more than £100 million from German institutional investors. Cording is in the process of raising an additional £150 million of equity commitments from Continental European institutional investors. Using leverage, the fund will have £400 million to create a diversified portfolio of PRS assets, delivering sustainable and stable distributions over a long-term holding period.

Using a unique and comprehensive research-led approach, Cording focuses on the lower-to-mid market and has identified regional cities and locations outside Central London where demand for rented accommodation is strong and set to grow, and where existing stock is predominantly old and in houses of multiple occupation (HMOs).

The fund's first four acquisitions were also forward funding agreements - the Merlin Wharf site in the Waterside regeneration area in Leicester, a site in the Stadium Quarter regeneration area in Warrington, a site in the Lace Market area of Nottingham and part of the site of the former Kent Street Baths in the centre of Birmingham.

The AIFM of the Fund in Luxembourg is Pancura SA, while Aztec Group acts as central administrator.

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NOTES TO EDITORS:

About Cording Real Estate Group

Headquartered in London, Cording Real Estate Group is a European real estate business which provides vertically-integrated services covering investment management, asset management and property management. Founded in 2008, Cording has grown significantly in its target markets of the UK, Germany and Benelux. It currently has around €2.5 billion of management mandates. Cording has 85 staff operating from five offices in Germany, one in the UK and one in the Netherlands. www.cordinggroup.com

About Edmond de Rothschild Real Estate Investment Management

Edmond de Rothschild is an ambitious, independent family-run investment house which specialises in private banking and asset management. The Group has 150 billion euros in assets under management, 2,700 employees and 32 sites worldwide as of 31 December 2018. Edmond de Rothschild Real Estate Investment Management platform operates through Local Operating Entities, including Orox Asset Management in Switzerland, Cleaveland in France and



Cording Real Estate Group in the UK, Benelux & Germany. The Edmond de Rothschild Real Estate investment management platform now includes over 140 real estate professional people in 11 offices (6 countries) and manages around €9 billion of real estate assets on behalf of discretionary funds and separate accounts.