



Blackstone, M7 take over €1.28bn light industrial portfolio

20 March 2017 **By IPE staff**

Blackstone and [M7 \(URL=http://hub.ipe.com/m7-real-estate-ltd-homepage/415583.supplier\)](http://hub.ipe.com/m7-real-estate-ltd-homepage/415583.supplier) Real Estate are buying a €1.28bn portfolio of Dutch and German assets from listed UK property company Hansteen Holdings.

Hansteen said M7 will manage the portfolio and will acquire its German and Dutch asset management business, transferring 36 employees from Germany and the Netherlands.

IPE Real Estate understands that the portfolio will be added to light industrial assets already owned and managed by Blackstone and M7. Earlier this year, it was reported that Blackstone bought 26 French assets from a joint venture between M7 and Starwood Capital, as part of plans to build a specialist pan-European investment platform.

The Hansteen portfolio is being bought in an all-equity deal at a 6% premium – or €76m – to its year-end valuation, due to a currency uplift.

The German portfolio of 104 properties was worth €869.7m with €63.6m of passing rent in June last year, while the Netherlands portfolio was worth €217m.

The deal, expected to close in June, will leave Hansteen with a £676.9m portfolio of 286 UK assets and 447 acres of undeveloped land, as well seven assets in Belgium and two in France respectively worth £17m and £17.7m.

Ian Watson, joint chief executive of Hansteen, said: “This is a compelling opportunity to crystallise both the revaluation gains from these German and Dutch assets achieved by our active asset management and the gains from foreign exchange movements.”

He said the sale was in line with Hansteen’s long-term strategy of “buying at a low point in the cycle, with low occupancy and rents, adding value through improved asset management and subsequently realising the investment at a higher point in the cycle”.

M7, which is active in 13 countries across Europe, manages 600 retail, office and industrial properties worth €2.4bn.

M7 Real Estate [last year raised \(URL=https://realestate.ipe.com/news/capital-raising/m7-real-estate-raises-initial-175m-for-fourth-european-fund/10015299.article\)](https://realestate.ipe.com/news/capital-raising/m7-real-estate-raises-initial-175m-for-fourth-european-fund/10015299.article) an initial €175m for its European Real Estate Investment Partners IV fund, targeting value-add, multi-let assets in Germany, the Netherlands, France and Scandinavia. The first close was backed by investors from Hong Kong and the Middle East.