

French SIICs introduction eliminates about 20% value discounts in property funds

The establishment in 2003 of a Real Estate Investment Trust (REIT) structure in France, the SIIC (Société d'Investissement Immobilier Cotée), has quickly dismantled property company valuation discounts of around 20%. **PAGE 2**

DB Research sees 1m apt. portfolio sales by 2010

Deutsche Bank Research estimates that around 1m German apartment units are likely to be sold in the form of portfolios to investors in the next six years up to 2010. **PAGE 5**

Cerberus in due diligence on Gerling insurance firm

Cerberus Partners is investigating the purchase of the Cologne-based Gerling Holdings, one of the larger insurance companies in Germany, and is currently in due diligence, FAZ says. **PAGE 6**

Berlin plans wide-ranging property fund reforms

The German government is planning wide-ranging changes in regulations for open-end real estate funds including tighter valuation rules and possible state imposed assessment checks. **PAGE 10**

NordLB's NILEG likely next German property portfolio to be sold to investors

After GAGFAH, the Thyssen-Krupp portfolio last year and the current bidding process for Eon's Viterra AG, the next large German real estate portfolio to be sold to investors is likely to be NILEG, the company presently belonging to Norddeutsche Landesbank (NordLB).

Market sources say several bidders have expressed an interest in NILEG, mainly Anglo-Saxon institutions such as Fortress and Cerberus. NordLB is seeking sale of the entire company, which is diversified well beyond a pure residential property portfolio.

The evaluation process on NILEG has been completed by private investment bank Drueker & Co., PFE information indicates. A NILEG spokesman confirmed that an announcement on the sale of the company was likely by the end of July. **CONTINUED ON BACK PAGE**

REITs should make up 15% of total investment assets, UBS study says

The development of Real Estate Investment Trusts is unstoppable, and correlation with other asset classes is declining so that diversified investment portfolios should contain up to 15% of REITs, a new study by UBS says.

"We believe that .. listed real estate investments will not only have similar risk/return features to direct ownership in future, but - thanks to declining correlation to other asset classes - will also have similarly positive effects on the overall portfolio," an 84-page UBS report released in late April concludes.

Buying property via the stock exchange is preferable to direct ownership, it says. Listed property is undervalued and returns should be a steady 6-8% p.a. for the foreseeable future. Global listed real estate markets are still not overvalued despite returns of over 30% in 2003 and 2004.

Because of the rapid spread of REITs-enabling legislation in developing countries, the competition for foreign capital into domestic real estate sectors will increase continuously over the next years, putting pressure on the remaining countries to introduce similar laws. No developed nation will want to risk a constant outflow of capital to foreign real estate markets.

"The benefits of listed investments are the reason why cross-border investments have already become established as an important factor on real estate markets and why investors are increasingly placing their money internationally," the study says.

UBS thinks that foreseeable regulatory improvements for listed real estate investments means that European and Asian markets in particular are highly promising in the medium term.

However, European valuations face stagnant or declining population levels plus changing geographical employment patterns. This will intensify competition between real estate locations, increase property-related risks, and bring diversified growth potential for rents. Large urban centres, thanks to their infrastructure and broad range of leisure and employment opportunities, should attract populations from other regions and keep real estate values there buoyant. **PAGE 2**

PFEUROPE.DE

Once again, thank you to all those who have taken the time to register for Property Finance Europe! We have received 80 registrants so far, and they are coming in steadily. One London investment bank registered virtually the entire real estate finance department, about 10 people. A second one then did the same... smaller department though.

Thanks also for the very supportive comments. "Great new research; very helpful," wrote one analyst at a German mortgage bank. "Fantastic newsletter... I look forward to future issues," wrote a City investment banker. "Good job... Let me know if you hear of any housing or smaller NPL portfolios for sale," wrote an investor from the US. "Excellent effort - keep it up!" wrote one head of securitisation for a continental European bank. Be sure, in regard to all these, we will!

To reiterate, we are issuing PFE free of charge via PDF download from the www.pfeurope.de website, and simultaneously notifying you by email that it has been posted.

To save you time we would prefer to "push" it to you via an Adobe attachment rather than have you "pull" it from the Internet site. But we are concerned that the file, at 1.3MB, may be too big for some recipients and/or some firewalls, and cause irritation.

This week we have started to look at France and the development of SIICs, the French REIT, and aim to widen this coverage.

Back in Germany, financial sector reforms are moving at breakneck speed. Finance Minister Hans Eichel seems to be announcing one fundamental reform per month. We will do our best to keep up! **PFE**

UBS estimates developed world property market at \$6tr, Germany/France near \$450bn each

The new UBS analysis of real estate assets was the first recent attempt by the bank to quantify the investment risks and pitfalls surrounding rapidly-developing global property markets.

“Investors aiming to optimize their portfolios would be well-advised to exploit these new opportunities, but doing so calls for a basic understanding of the asset class and the aim of this study is to impart this knowledge,” the report says. It was signed by Klaus Wellershof, UBS head of wealth management research, and Christian Unternährer, head of WMR real estate strategy.

UBS calculates the size of real estate markets in the 25 developed nations at \$6.16tr in value, with the US market at \$2.43tr, Japan at \$710bn and German real estate valued at \$452bn. Aggregate valuations in the UK, France and Italy, the next three largest, are respectively \$435bn, \$343bn, and

\$319bn. Spain comes in at \$177bn and The Netherlands at \$100bn.

In investment terms, risk/return profiles of direct and listed property investments are extremely similar, and the frequently cited differences are usually due to incorrect comparisons. UBS says, “Both are susceptible to price bubbles and need a similar length of time to recover when these bubbles burst. This makes real estate, like equities, particularly suitable for investors with a long investment horizon.”

Although the high inflow of funds into indirect real-estate investments has been largely absorbed by the rapidly growing market of indirect investment opportunities, surplus demand has arisen, pushing REITs up in value. With the exception of a few housing markets – the UK and Spain are the main ones in Europe - no irrational bubbles have occurred. High valuations that occur now and again are a consequence of the generally low expected returns on capital markets and thus attributable to fully rational investment decisions.

UBS says the risk of rising interest rates for real estate markets cannot be ruled out, but due to the rather moderate interest-rate forecasts at the long end and real estate investments’ suitability to some extent as inflation hedges, the “level of risk is rather low at the moment”.

PFE

WELCOMETO THIS THIRD EDITION OF PROPERTY FINANCE EUROPE, a newsletter that grew out of an informal information service that we at easetec in Frankfurt have been providing to clients and business friends for some time. Through this, it quickly became clear that the need for English language information in institutional real estate-related issues from the European continent is huge, particularly from US investors who have only recently re-discovered these markets.

PFE aims at a fortnightly report and analysis on a number of themes: all those you can see on the right of our title on the front. The probable authorisation of REITs in Germany and Europe is crucial; also some important changes in German and European banking systems – everything, in other words, to do with property finance on the European continent that you need to know!

Though our name refers to Europe, our initial focus will be Germany. We hope soon to supply more material on France, Italy, Spain and other major continental markets.

PFE will be published on the second and fourth Monday of every month from the easetec offices in Frankfurt am Main. It is independent of investing or selling institutions, and issued free of charge to registered readers via an Adobe PDF download. Registrants will be alerted by an email text message. For now though, simply go onto our open Web site and download. Soon it will be possible to send you a printed, mailed edition should you wish to read PFE in the evening away from the computer, or on the airplane.

Notification of this second edition of PFE has gone out to more than 1,600 addresses - business contacts, friends, commercial and academic institutions and individuals. Please feel free to pass on our download URL link to anyone you feel might be interested.

PFE wishes to stand alone as a commercial venture. We will therefore be seeking paid advertising to take your message out to the professional community. We are also interested in hearing from partners for property data and distribution. Please put us on your distribution list for relevant information on these markets, and events. We need you, the participants in these shifting European real estate markets, to keep us informed so that PFE can keep you informed!

Allan Saunderson, editor@pfeurope.de

French REITs introduction cut property firms’ value discounts, encouraged high-growth market entrants - paper

The establishment in 2003 of a Real Estate Investment Trust (REIT) structure in France, the SIIC (Société d’Investissement Immobiliers Cotée), has quickly dismantled property company valuation discounts of around 20%, encouraged new and relatively high-growth firms into the sector, and brought a flurry of corporate finance activity, a recent study concludes.

A second stage of the new legislative reform introduced in December 2004 – widening the allowed tax rate of 16.5% to revaluations of corporate and financial real estate exiting into a SIIC - is highly significant and will open up new prospects for the sector. It aims at doubling amount of property assets held by French REITs overall within three years.

These conclusions are contained in a working paper issued by Paris-Dauphine University’s Centre de Recherche sur la Gestion, written by Laurent Batsch, Roland Chouillou and Philippe Tannenbaum. Called “The French REITs: First Results about the new SIIC Regime”, the paper documents the outperformance of property companies in France since the SIIC was introduced in July 2003, compared to their non-REIT

CORRECTION: Hudson Advisors

In the interests of accuracy and further information, PFE intends to make corrections to prior items where these are of substance. After the article in **PFE, Vol. 1, No. 1**, *Hudson Advisors continues to seek staff in Germany after Lone Star buying spree*, we were informed that although the thrust of the piece was correct, Hudson is already much bigger. A company official told us, “I can herewith confirm that we currently have 220 Hudson employees at the end of April, and are heading towards 300 employees by the end of this year.” Now we know. This is indeed a breathtaking speed of expansion!

European counterparts. Other conclusions are:

- (a) Real estate companies showed an anticipatory price revaluation immediately when the legal change occurred,
- (b) Large property firms such as Gécina or Unibail benefited in the first year, then underperformed smaller SIICs in 2004,
- (c) Stock market liquidity in property companies has generally improved, and the float of several SIICs continues to expand,
- (d) Revaluation of assets on taking SIIC status did not cut cash-flows since the 16.5% exit tax on revaluations was payable in four annuities,
- (e) The total exit taxes paid by SIICs roughly equalled the corporate take for the state from pre-SIIC fiscal structures,
- (f) Dividend distribution obligations in SIICs have turned out to be less constraining than envisaged,
- (g) Property companies' funding methods have diversified and now include bonds, medium-term notes, equity capital increases and securitisations,
- (h) The optimum asset value size for a French SIIC/REIT has proven to be €7bn-€8bn,
- (i) The introduction of the SIIC structure has encouraged big corporates in the public and private sector to externalise property assets, e.g. EDF, France Télécom, Alstom and Canal Plus.

The paper shows that the exit taxes for SIIC structures have brought €1.5bn into the French treasury during 2003/4.

PriceWaterhouseCoopers points out that the SIIC exit tax rate compares to the standard rate of 35% in property capital

gains when revalued to market from book.

The 16.5% applies to, "any latent gain existing, at the time of the election, on: a) their real estate properties held directly and, b) the shares of real estate tax look-through partnerships. The payment of this exit tax is spread over a four-year period, the first 25% instalment being paid on December 15 of the year in the course of which the election is made."

The Paris-Dauphine paper said that, for the management of real estate, SIICs introduce the three major advantages of stock market liquidity, management professionalism, and a decrease in risk due to increased diversification of portfolios.

"SIICs' better returns should reinforce their attractiveness for institutional investors and real estate share should become more prevalent in the allocation of assets by portfolio managers," it said.

The biggest of the French SIICs by assets under management at end-2004 were Unibail (€7.5bn), Gécina (€7.1bn) and Klépierre (€4.6bn) – of which Unibail has the largest free float and, unlike most of the others in the segment, no controlling shareholder. Midcaps include SFL (€2.2bn), and Foncière des Régions, SILIC and Bail Investissement all at around €1.4bn. Minor players include names such as Pimon, SIIC de Paris and EMGP.

In addition several foreign property company subsidiaries have listed in Paris to take advantage of the SIIC status such as the UK's Hammerson, and the Dutch Wereldhave, Rodamco and Corio. One early-registration

LEGISLATIVE FRAMEWORK OF FRENCH SIIC/REITs

The legislative framework of the French REIT, Société d'Investissement Immobilier Côtée (SIIC), is slightly different from that being recommended for the G-REIT in Germany. Paris requires a bourse listing but also defines minimum equity capital, specifies that SIIC assets must be located solely in France but requires no minimum free capital float. The law creating SIICs was passed by a vote of the National Assembly on 21 November 2002 and came into effect with the publication of the executive order on 11 July 2003.

SIIC status is subject to the following basic conditions:

- i. SIICs must be stock exchange listed; this is aimed at reactivating the property companies segment on the Paris stock market,
- ii. SIICs listing must be in France and assets must be located in France; this may be an incentive for foreign property companies to list in Paris as a SIIC but without creating a French listed subsidiary,
- iii. SIICs may only be real estate investment trusts and not service trusts; property companies offering ancillary services must exit these activities,
- iv. The status of SIIC is optional for listed property companies, but irrevocable,
- v. SIICs must have at least €15m in equity capital, but
- vi. No statutory equity capital float is imposed on a SIIC.
- vii. SIICs must distribute dividends of a minimum of 85% of profit and 50% of transfer capital gains,
- viii. The release of hidden reserves on acquisition of SIIC status – revaluations from book to market value – is subject to a 16.5% exit tax, payable in four annuities,
- ix. Election for conversion to SIIC status can be made before the end of any fiscal year and be backdated effective 1 January of that year.

Source : Centre de Recherche sur la Gestion, Université de Paris-Dauphine

easetec

SCENE ABS+MBS

DATE TODAY

PRODUCTION www.easetec.com

DEAL DONE!

easetec ag® provides software solutions for securitisation in Europe: Data collection and management, transaction cash-flow modelling and pricing, and deal tracking and reporting.

THE BIG EASE

SIIC, Sophia, was taken over in November 2003 by GE Real Estate and eventually delisted in December 2004.

In June last year, Société foncière Lyonnaise was taken over by Spain's Inmobiliaria Colonial. Several other small or medium-sized property firms are manoeuvring to take on SIIC status soon.

The paper said the discount between book and net asset (market) value for property companies at the end of 2002, prior to the creation of SIICs, was about 20% - the same as in the UK. Belgian companies at that time were trading at a premium to their NAVs. It added, "today, the discount has disappeared for French property companies whereas it has modestly reappeared for their Belgian counterparts. British and Italian property companies which are not tax-transparent are having to cope with a discount of roughly 20%."

"Discount decrease and liquidity increase should encourage property companies to change their relation with the market and to become an attractive sector for investors looking for high-yield values," the paper added.

The Netherlands-based Rodamco Europe N.V., a publicly listed property investment company focused on the European retail sector, last month elected to bring the entirety of its real estate portfolio in France into a SIIC after transferring around one-third of it in a test last year.

In 2004 Rodamco Europe chose SIIC (Société d'investissements immobiliers cotée) status for approximately one-third of its French portfolio, representing assets valued around €320m. Rodamco announced in late April that, effective 1 January 2005, the SIIC regime will be applied to the rest of the portfolio with a value of approximately €850m.

"To test the waters, we elected the French SIIC regime only for a portion of our French portfolio last year," CEO Maarten Hulshoff said in a press release. "Although the amount of the so-called exit tax for the remaining portfolio in France is quite substantial, the net present value of the election is positive and it will positively contribute to our future earnings"

Apart from other qualifications, the French SIIC structure requires the parent company to list its shares on the French stock exchange, Euronext. Rodamco Europe has had such a listing for several years.

Rodamco said the tax cost of opting for the SIIC status for the remaining French portfolio amounts to just over €100m, the greater part of which is the exit tax of 16.5% on the difference between market value and fiscal book value of the property assets. However this tax cost is covered by release of the deferred tax provision at the IFRS opening balance sheet as per January 2005. The release is due to applying the reduced tax rate of 16.5% to certain unrealized gains rather than the regular tax rate of 34%. It results in a release of approximately €30m in 2Q05.

The Rodamco €7.5bn total investment portfolio concentrates on large shopping centres and high street shops. Rodamco Europe is both investor and direct manager of its shopping centres, mostly in its home markets of The Netherlands, Sweden, France and Spain. Rodamco Europe, listed on stock exchanges in Amsterdam, Paris, Frankfurt and Brussels, is an independent investment company with variable capital and qualifies as a Fiscal Investment Institution under Dutch Law. PFE

DB Research sees 1m German residential portfolio sales to 2010

Deutsche Bank Research estimates that around 1m German apartment units are likely to be sold in the form of portfolios to investors in the next six years up to 2010.

In a new study, it calculated that as many as 300,000 German apartments were sold to foreign funds in 2004, valued at more than €13.5bn in total. This business should continue to be buoyant, supported by stability in rents and prices, a slight move higher in capital values in the urban centres, the ability to make efficiency increases in portfolios as they stand now, and

PROPERTY FINANCE EUROPE

Publisher
Rose Advisory Ltd, UK

Operating Office
c/o easetec
Hainer Weg 13 - 15
D-60599 Frankfurt am Main
Germany
Tel. +49 (0)69 962448-0
Fax +49 (0)69 962448-90

Editor
Allan Sanderson
editor@pfeurope.de
Cell +49 (0)172 672 3938

Internet
David Jayne
webmaster@pfeurope.de

Administration
Gaby Wagner
office@pfeurope.de

Sector Advisors
Iain Barbour (Commerzbank) *
Martin Damaske (Hypoport)
* Kingsley Greenland (DebtX)
* Raffaele Lino (DTZ Investment
Advisers) * Georges Ruchti
(easetec services) * Philip Rutovitz
(easetec) * Dr. Dieter Wermuth
(Greater Europe Fund) * Thomas
Ziegler (Reporting Online)

PROPERTY FINANCE EUROPE is published on the second and fourth Monday of every month from the easetec offices in Frankfurt am Main. PFE is independent of investing or selling institutions. Information it contains is under copyright protection and is based on sources believed to be reliable, though their complete accuracy cannot be fully guaranteed. Neither the information in PFE nor the opinions expressed constitute or are to be construed as an offer or solicitation of an offer to buy or sell investments. PFE accepts no liability for actions based on the information herein.

© 2005 PROPERTY FINANCE EUROPE

Table: Major German NPL transactions

Seller	Sum €m	Investor	Assets
2003			
Gontard & Metalbank	225	Lone Star Funds LLC	Various
Hypo Real Estate	490	Lone Star, JP Morgan	Mortgages
ING/BHF	175	Goldman Sachs	SME credits
Dresdner Bank	511	Deutsche Bank	Lge Intl Credits
2004			
Dekabank	110	Deutsche Bank	SME credits
Niederschl. Sparkasse	n/a	Lone Star Funds LLC	SME credits, Mtges
Hypo Real Estate	3600	Lone Star Funds LLC	Mortgages
Dresdner Bank	1200	Lone Star Funds LLC	Mortgages
Hypo Real Estate	394	Citigroup consortium	Mortgages
Eurohypo	2400	SEHS(Citi, Euroh., GMAC CM)	Mortgages

Source: Property Finance Europe, Citigroup

ongoing low costs of debt/mortgage financing.

Despite this, DB Research said sellers should not hesitate anticipating potentially higher valuations since it could not predict how long investors would remain prepared to pay premium prices for access to the German residential property market. As well, the German government may decide against changing legislation to allow real estate investment trusts (G-REITs), and this in itself could bring residential portfolio prices lower.

PFE COMMENT: This report reflects the marked difference in value assessments between German financial institutions and the foreign investment community, and should be treated with some caution. German analysts are generally later in their perception of value than Anglo-Saxons. Among those investors believing that residential in Germany can provide high returns over the medium term are Cerberus, Fortress, Terra Firma, Citigroup and Lone Star. Even if, as we hear, G-REITs-enabling legislation may be delayed beyond the planned 1 January 2006 effective start date by six months or so, we believe UBS is right in saying that no developed-nation government will be able to ignore the implication of allowing its own jurisdiction to diminish in comparative attraction for foreign property investment capital. The combination of sensible capital expenditure for apartment improvements, staggered rent increases, and a rising trend of German tenants to consider buying their homes should bring reasonable returns from residential portfolios. As well, we see several structural factors boosting demand for German home purchases, and therefore some independent recovery of capital values over the next few years. The residential property valuation cycle is highly unlikely to parallel the continuing subdued state of the economic cycle. PFE

German foreclosure auctions fall in 1Q05 for first time since 1994 – survey firm

The number of foreclosure sales of German residential property nationwide decreased in the first quarter of 2005 for the first time since 1994, the Argetra company said - by 7.4% to 23,151 compared to 4Q04. The total of sales values realised in compulsory auctions therefore also fell by 8% to €4.6bn.

This general trend was contradicted in the northwest German state of Schleswig-Holstein and the city-state of Hamburg where the number of forced auctions rose by 12%.

By contrast, Germany's most populous state of North Rhine-Westphalia experienced a 13.6% fall in the number of such auctions, with nearby Rhineland Palatinate and the southerly Saarland down 12.9%.

However, Argetra said the trend was not entirely positive for the development of property values. The reduction in forced auctions in the new east German states was partly due to creditor banks withdrawing unsellable properties from auction.

The most difficult form of real estate to sell in east or west Germany were proving to be commercial developments, older multi-family homes and other properties unsuitable for dwelling by their owners or investors. PFE

Eurohypo to launch Jumbo Public Pfandbrief

Eurohypo AG, Germany's largest mortgage bank, said it is launching a Jumbo Public Pfandbrief in global format, with a medium-term maturity and minimum size of €2bn. The

PROPERTY FINANCE EUROPE BULLETIN BOARD

Tuesday-Wednesday 10-11 May 2005 - Euroforum Deutschland NPL conference, Berlin

Euroforum is hosting a conference in German on management, investment and valuations of Non-Performing Loans (NPLs).

The proposition: Financial investors, Private Equity and Opportunity Funds are actively looking for business in NPL portfolios that they can buy from lenders, mostly banks, and then cash out of. German banks have an estimated EUR300bn in mortgages that borrowers can no longer pay back. This business has made investors a lot of money in the US and Asia since the late '80s, and the focus has now turned to Germany. After initial scepticism, domestic banks are beginning to realise the huge opportunities. They are asking the very justified question why external investors should be more successful at reaping the benefits. But the reasons are genuine: flat internal hierarchies and fast decisionmaking. Advantages for banks are also clear: rapid relief for the balance sheet and low cost of a work-out department. The aim of the conference is to show ways to work with NPL portfolios, using practical examples, and to highlight the pitfalls.

Speakers include Andreas Bartsch-Freshfields Bruckhaus Deringer, Hanspeter Gondring-Akademie der Immobilienwirtschaft, Burkhard Heppel-Merrill Lynch, Raffaele Lino-DTZ Investment Advisers, Harald Pospischil-Hypo Real Estate, Stephanie Siepmann-Proceed Portfolio Services, Martin Wiemann-Freshfields Bruckhaus Deringer. More information at www.euroforum.de/p17331

Thursday-Friday 12-13 May 2005 - Investment Property Databank conference, Copenhagen

London-based IPD is hosting a European Conference on institutional real estate valuation, investment and management.

The proposition: Successful marketplaces are founded upon trust between operators and respect for legal and cultural frameworks. Their shared values guarantee the proper functioning of the market. The European property marketplace continues to grow, as do the number of operators, the diversity of nations interested and the complexity of investment instruments. The conference will seek to identify those values shared by all operators. Above all, the marketplace is growing because European property investment has been good business in recent years and this trend looks set to continue. The conference will present detailed analysis and explanation of pan-European investment returns on a nation-by-nation and regional basis. Areas of particular growth will be highlighted and long-term investment opportunities examined individually.

Speakers include Kurt Viermetz-Hypo Real Estate Bank, Richard Mully-Grove International Partners, Lisette van Doorn-ING Real Estate Investment Management, Alastair Ross Goobey-Morgan Stanley, Philippe Depoux-AXA REIM, Nigel Roberts-Jones Lang LaSalle. More information at <http://www.europeservicing.com>

Friday 3 June 2005 - EuropeServicing 2005 Amsterdam

Eurocatalyst BV in Amsterdam is hosting a one-day conference on European mortgage servicing, focusing on maximizing growth, managing operational risk and recovering asset value in the European servicing sector.

The proposition: Servicing has long been a silent partner due to the predominance of on-balance sheet funding and the bundled nature of the value chain in most of Europe — but no more. Servicing is now seen as a crucial sector in need of further development because of technological advances, the emergence of securitisation and the innovation of structured covered bonds on the funding side, the dramatic increase in regulation upon lenders and the drive toward a single market.

Speakers include Ron Roark-Crown Mortgage Management, Edward Register - FitchRatings, Anne Bridges-Hatfield Philips International, Tracey Hill-HBOS, Steve Haggerty-Homeloan Management Ltd., Hugo Doswald-DG Hyp, Marc Bajer-Via Capital, Glenn Aaronson-SIB/Corso Venezia, Günther Gleumes-Citigroup, Thomas Kretschmar-Hypoport, Craig Beresford-GMAC-RFC, Brian Kane-Standard & Poor's, Jean Louis Bravard- EDS. More information at <http://www.europeservicing.com>

transaction, rated Aaa/AAA/AAA, is expected to be launched after an international roadshow in the last week of May, subject to market conditions.

Eurohypo has mandated ABN-Amro, Citigroup, Commerzbank and Dresdner Kleinwort Wasserstein to lead manage the issue.

Henning Rasche, Eurohypo board member, said: "In the tenth year since the introduction of the Jumbo Pfandbrief, this financial instrument - which was originally developed in Germany - has become a strong pillar of the international fixed income markets." PFE

Director of newly-renamed German Closed-End fund association, VGF, in talks on reporting transparency

The negotiation of new, tighter reporting rules in discussion with the German government is top of the agenda for the new managing director of the Association of German Closed-end Funds (VGF), Eric Romba.

The association, which changed its name in September 2004 from the Association of Closed-End Property Funds (VGI), appointed Romba at an extraordinary meeting in January, simultaneously to electing a new chairman.

Romba told Cash magazine this month that talks on new regulations with the BaFin financial supervisory authority were well in train, and the main focus was on rules for results' presentation in annual or ad hoc reports.

"My impression is that, through the dialogue with the BaFin and our openness to cooperate in instigating new regulations, both internally between our own members and also with the supervising authority, we have made a significant contribution to achieving more security in handling the coming report obligations," he said.

The former VGI, which had 20 members, decided to open its membership to funds representing other forms of investments, initially including special funds holding ship, media and wind-power assets. Aside from new reporting rules, one major topic in recent months has been an attempt to establish a functioning second market for trading closed-end fund certificates or shares. To date, VGF has declined proposals to introduce a rating system as a pre-condition for listing on a secondary market. The Düsseldorf stock exchange had proposed that the funds sector should participate in the Gefox trading model that it is developing.

A third topic is a recent proposal from the German federal government to abolish a tax rule that allowed closed-end funds fiscal concessions on capital losses on real estate holdings.

The current VGF membership comprises: FHH Fondshaus Hamburg, HCI, Bonnfinanz, ILG GmbH, Deutsche Capital-Management, VIP Vermögensberatung München, DOBA Grund Beteiligungs, MPC Capital, IVG Immobilien (MDAX listed), Tomorrow Fund Management, Dr. Görlich, REAL I.S., Falk Capital, SAB Spar- und Anlageberatung, IBV, SHB Innovative Fondskonzepte AG, HSH Real Estate, and Lloyd Fonds.

Tomorrow Fund Management was founded by two German property groups on the initiative of the US real estate company, BGK Equities III, LLC. based in Santa Fe, New Mexico.

PFE COMMENT: The VGF is moving very fast and intensively now toward achieving a more transparent environment for the German closed-end fund sector in general, and property funds in particular. This follows a number of scandals, mainly to do with asset valuations, that also engulfed the DEKA property funds and continues to weigh on investors' confidence on closed-end funds in general. Falk Capital was obliged to declare insolvency this year, and receivers are currently negotiating with banks to provide support and find a solution in the next 2-3 months to maintaining its existing real estate assets. Until January, Falk Managing Director Thomas Engels was also chairman of VGF. Now, Romba is likely to bring 'fresh wind' to the reform activities of the sector. He is a lawyer by training and has recent experience handling public relations in the German Bundestag lower house of parliament. PFE

Cerberus in process of due diligence on German insurer Gerling, FAZ says

The US opportunity fund Cerberus Partners is investigating the purchase of the Cologne-based Gerling Holdings, one of the larger insurance companies in Germany, and is already talking to the major equity holder and grandson of the founder, Rolf Gerling, the Frankfurter Allgemeine Zeitung reported.

Further progress is dependent on the results of the due diligence on Gerling that Cerberus is currently undertaking.

Gerling went into a difficult crisis in 2002 due to a failed investment in a US re-insurer that used up all its equity capital. The reinsurer was subsequently sold and Gerling also withdrew from its credit insurance activities in the US. The group halved its staff numbers to around 6,800, and is now focused on commercial, life and property insurance.

FAZ said questions remained over Gerling's financial commitments from past activities, including the US reinsurer, where it retains some legal involvement. The Gerling balance sheet also holds high pension liabilities, while some subsidiaries profitability is somewhat unclear.

For 2003, Gerling posted premium revenues around €4.3bn and employed some 7,200 in 20 countries. Established by Robert Gerling in Cologne on 4 May 1904, the group celebrated its centenary last year one year after returning to profit in 2003 with consolidated net earnings of €125 – compared with a loss of €372m in 2002.

Its balance sheet showed assets of €13.8bn held in securities, mortgage loans of €2.3bn and property assets valued at €1.1bn.

Cerberus, which manages assets of around \$13bn worldwide, opened its Frankfurt office in 2003 and has been looking closely at the financial sector in general for acquisition. It bought a portfolio of 66,000 apartments from the City of Berlin last year, and is one of the three main bidders in the private auction of Viterra AG by the Essen-based Eon group.

PFE COMMENT: A major attraction of the acquisition for Cerberus is very likely to be the huge holdings of mortgages and real estate related to financial investment products that combined life insurance with investments. This was a fashion in the early to mid-'90s after the government ended its tax exemption status for investment in Berlin property. PFE

Warburg-Henderson launches new fund to purchase, renovate German office buildings

Warburg-Henderson has launched a new open-end fund aimed at purchasing, renovating and restructuring office buildings in Germany. The fund, to be managed by Warburg's HIH (Hamburgische Immobilien Handlung) subsidiary, has the objective of achieving an internal rate of return of 12% per annum over a period of 5-6 years, the Immobilien Zeitung (IZ) newspaper reported.

The new vehicle, in the form of a KAG open-end real estate investment fund (Publikumsfonds), is aimed primarily at attracting foreign capital. The fact that it intends to invest opportunistically in the office segment is relatively unusual for an open-end fund construction.

Henning Klöppelt, Warburg-Henderson managing director, told the IZ the new fund would seek 10-20 sizable office investments and had already acquired 4 properties in Düsseldorf, Hamburg and Leipzig worth €55m. Preferred office investments would be, "first-class, established locations in the city centres of Hamburg, Düsseldorf, Frankfurt, Munich and Berlin." A small part of the capital would be set aside for other, smaller opportunities.

"We are taking a bet on the recovery of the German market in three to four years' time when our renovation activities are finished," Klöppelt said. The good locations in city centres comprised reasonable and manageable risks and, unlet, were available at better prices than fully-let space in other locations.

"We have a window of opportunity of about two years for our purchases while the prices for investment in these kinds of properties are low enough," Klöppelt told the IZ.

Warburg-Henderson was founded in 2001 as a joint venture between M.M.Warburg & CO, Hamburg, and Henderson Global Investors, London. It specialises in the creation and management of pan-European property Spezialfonds and, since December 2002, has initiated five property funds with German and international institutional investors, raising equity in excess of €700m.

Klöppelt, appointed managing director with effect 1 May 2003, was previously a member of the board of DEGI Deutsche Gesellschaft für Immobilienfonds. PFE



Office premises occupied by KPMG in Düsseldorf forms part of the portfolio already bought by Warburg-Henderson's new fund.

German government plans wide-ranging reforms of open-end property fund regulations

The German government is planning wide-ranging changes in regulations for the country's open-end real estate funds, including stricter regulations on their development projects, instigation of risk classification on their assets, rules for better control of fund liquidity and of sales below assessed value, and reduction of their permitted leverage via use of debt financing.

The federal Finance Ministry announced in early May that it also intends to bring through legislation to improve investment fund transparency and is considering requiring alternative valuation methods as well as the ability for the state to appoint assessors.

It is also considering giving the financial supervisory authority, BaFin, the power to demand valuation corrections following a special inspection of the books that it will, in the future, require.

Berlin has asked the sector to submit recommendation on these issues by 30 June. The changes are encompassed within reforms of the investment law for the entire funds sector planned by the Social Democrat/Green coalition government to be enacted before the next federal election due in autumn 2006. PFE

Too Busy looking after your Client's Money to look after your Own?

Many successful professionals find themselves in this situation. Time is the limiting factor and your own money ends up misallocated and under-performing.

Have a look at www.timunderwood.com and click on Investment Bulletin. If your money is not performing as well, it is time to take action and switch.

Treat yourself as a client!

Contact: tim@timunderwood.com

**Congratulations to
Property Finance Europe
on a successful launch!**

Union Investment's DIFA funds make further investment of €53m in Clichy, Asnières, north of Paris

DIFA Deutsche Immobilien Fonds AG, the open-end property funds group belonging to Union Investment, said it has paid €53m to acquire two real estate developments in Clichy and Asnières in the north of Paris. The aim is to maximise its exposure to the "emerging markets" in this region, with their buoyant demand for office space, it said in a press release.

DIFA purchased the office projects from French developer Eiffage, and both developments, known as Marco Polo and Quai 163, are due for completion shortly.

Already fully let, Quai 163 is situated on the Seine in Asnières and forms the second investment in Paris for the DIFA Immo-Invest institutional fund. The Marco Polo building in Clichy, bought by the DIFA-Global open-ended real estate fund, is not yet let but the vendor is providing a three-year rent guarantee.

In December 2004, DIFA in Saint-Denis successfully completed development of the fully-let eurostade office complex for DIFA-Fonds Nr. 1.

DIFA board member Reinhard Kutscher said, "Like Saint-Denis, Clichy and Asnières are particularly promising locations along the axis between La Défense and Charles de Gaulle airport, where extensive office development is taking place.

Both areas are benefiting from rising demand primarily from French companies abandoning the high rents of the city's central business district in favour of suburbs featuring high-quality new premises and good transport links."

He added, "The development areas on the northern fringes of Paris offer our funds the prospect of attractive returns. Benefits such as lower rent levels and favourable property taxes in Asnières have coincided with expansion by French financial services companies, leading us to expect further increases in desirability and value for these locations."

PFE



Apartment blocks in heavy need of renovation form part of many portfolios in northern and eastern Germany.

Moody's rating assessment of German savings/landesbanks more upbeat

Moody's rating agency last week gave a more upbeat assessment to the rapidly-changing savings and Landesbank sector in Germany, anticipating the end of the state guarantees for the sector in July, the Handelsblatt newspaper said.

The ratings, coming after more optimistic ratings gradings by Standard & Poor's and Fitch, covered the 11 largest Landesbanks and Dekabank, the funds group owned by the Savings Bank Financial Group (Sparkassen Finanzgruppe). Moody's gave at least an A1 rating, its fifth best, to all Landesbanks on their long-term unsecured liabilities.

It awarded the strongest rating, a second-best Aa1, to Landesbank Baden-Württemberg (LBBW), the largest bank in the sector. A lower A1 rating was awarded to HSH Nordbank AG, which resulted from the merger in 2003 of the Landesbanks of Schleswig-Holstein and Hamburg. This surprised some analysts who had expected higher.

HSH Nordbank Chairman Alexander Stuhlmann told the HB, "The assessment means that HSH Nordbank, even after the ending of the state guarantees, can rely on competitive refinancing conditions."

The same rating was also awarded to the restructuring Bankgesellschaft Berlin AG, Landesbank Saxony (SachsenLB) whose future in the depressed east German region is uncertain, Westdeutsche Landesbank (WestLB) which disclosed a €920m loss in 2004, and Bremer Landesbank. Moody's also gave an A1 rating to the Savings Bank Financial Group overall.

Moody's awarded a lower, third-ranked Aa2 rating to Bayerische Landesbank, its subsidiary the SaarLB, Helaba-Landesbank Hessen-Thüringen, and Landesbank Rheinland-Pfalz, a subsidiary of LBBW. Norddeutsche Landesbank, which has just been given the green light for a capital increase by its major shareholders, received the fourth-best Moody's rating of Aa3.

On the insistence of the European Union, the sector faces will lose two historical state guarantees in July, raising savings/landesbank risk profile and making their capital market refinancing costs more expensive.

PFE

Savings bank association presses WestLB to invest in SachsenLB

Westdeutsche Landesbank (WestLB) is considering an investment in Landesbank Saxony (SachsenLB) and its chairman Thomas Fischer has already discussed this with the savings banks' association DSGV, the Handelsblatt newspaper reported (see also next item).

The HB reported that WestLB is open to the idea, and can see some strategic advantages, but only on condition its own rating is not affected. For the period after this July when the public sector guarantees end for German savings/landesbanks, Moody's has just awarded WestLB a third-ranking A1. Standard & Poor's rates it A-, but SachsenLB is rated lower, at BBB+.

One senior banker said the move would show clearly that Fischer continues to want to play an active part in helping

the sector to consolidate in the face of a historical change in its market and funding position. It is however clear that, given the low rating, SachsenLB does not have a viable business model after July since refinancing will simply become too expensive compared to its cost base.

Currently, SachsenLB is owned by local savings banks, the municipalities, and the east German federal state of Saxony itself, but these have for months been unable to agree on a funding solution for the state landesbank. There is unified willingness to reduce their combined participation to a minority holding, but the condition is that the bank should remain independent as far as possible. All partners have set late summer as a deadline for finding a solution.

SachsenLB, which last week announced the appointment of new chairman Herbert Süß following an extraordinary general meeting, in 2003 had a balance sheet of €55bn and total business volume of €60bn. For that year it showed operating profit before provisions and revaluations of €137m but this was reduced, mainly by provisions of €102m, to a net annual profit of €35m. The result was helped by receipt of a tax credit of €10m.

PFE COMMENT: It is a mark of the deep and quite bitter political rift in German banking between the publicly-funded savings banks and private commercial financial institutions that DSGV, the association representing the former, is putting heavy pressure on all its members to consolidate and merge among themselves rather than looking for external solutions and letting in private investment. There is a general feeling in the public sector that if private capital is allowed in one instance this will 'break the dam' that is holding up the present discrete three-pillar system of savings, cooperative and private banks. PFE

WestLB close to buying Weberbank from Bankgesellschaft Berlin

Westdeutsche Landesbank is also close to taking over the Weberbank subsidiary from the Bankgesellschaft Berlin (BGB), a report in the Handelsblatt newspaper said. Separately, HB also said the savings banks' association DSGV may make an offer for the entire BGB group, which has to be sold by 2007.

WestLB Chairman Thomas Fischer has earmarked the Weberbank since he sees value in the 34,000 customers, mainly in the Berlin region, the three main office buildings in the German capital, as well as the brand, HB reported. Capital and reserves should remain with BGB. Though Weberbank is valued at €300m in the BGB balance sheet, Group Chairman Hans-Jörg Vetter has repeatedly stressed that he is seeking a higher price than this in a market sale.

Fischer is looking to use Weberbank as a base for building high-net worth private asset management activities. The brand would be immensely beneficial in order to avoid using the WestLB name in this context, which is seen as disadvantageous.

The European Union has required BGB to dispose of Weberbank in return for allowing some Berlin state subsidies to support the group during a highly complex and lengthy restructuring. But it has ruled that BGB must be sold out of government ownership or privately recapitalised by 2007.

The ownership question has become controversial.

Originally, the Cologne-based Sal. Oppenheim & Cie was interested but withdrew from the bidding late last year. Foreign opportunity funds have looked at it but declined to continue an offer process after due diligence. Now, DSGV President Dietrich Hoppenstedt says the association itself may step in to make an offer and prevent BGB falling into private hands, HB reported.

PFE COMMENT: The attempted acquisition of Weberbank marks a 180-degree turnround in strategy for WestLB, which sold its high net worth AM business in 2001 to the private bank Merck & Finck and had set an objective of expanding in large corporate lending. Fischer has refocused toward increased cooperation with other savings banks – of which WestLB, after LBBW in Mainz, is the largest in the sector – small and medium-sized business lending, and private clients. PFE

Turkey unlikely to tighten restrictions on foreigners' real estate investments

Turkey is unlikely to tighten restrictions on foreign investment in domestic real estate, and last month's ruling of the country's constitutional court overturning plans to relax the rules is unlikely to be carried through, the Frankfurter Allgemeine Zeitung reported.

It quoted German-Turkish chamber of commerce president Marc Landau as saying Ankara would almost certainly soon return to intended constitutional change allowing freer real estate investment in Turkey. The constitutional ruling



FotoAb
 Photos taken with care
 and delivered with pride
 (ideal for European due
 diligence and documentation)
 Web: www.fotoab.de
 Tel: +49 (0)6101 304 2378

had pointed to some gaps in the new, more relaxed regulations being proposed, but the government of Prime Minister Recep Tayyip Erdogan would probably be able to rectify this and return to the intention of the new law.

The more restrictive regulations on property ownership in Turkey would overturn the intention of a revision of the Turkish constitution in July 2003 in conjunction with European Union reforms. Foreigners, until then, were only permitted to purchase property in cities, not in villages or in militarily sensitive areas. These restrictions were lifted on condition that Turkish citizens could reciprocally buy real estate in the country of nationality of the purchaser.

Fearing a sell-out of Turkish land and real estate, the opposition Republican People's Party lodged a complaint with the country's constitutional court. On 14 March 2005, the court ruled that Ankara should specifically revise these parts since they were inadequate in their current form. Simultaneously however, it ruled that foreign property purchases in Turkey made in the interim would remain legally binding.

Foreign investment in Turkish property soared last year after the new constitution was enacted, to more than €1bn, FAZ reported, over half the total direct investment into the country. Pensioners and holiday home purchases in particular had bought along the mediterranean coast.

Some 42,900 foreign private persons and institutions were registered land or property owners in Turkish property at the end of last year, of which the largest group are Greeks, with 14,400 registrations. Second largest are Germans, with 12,500 property registrations, and English, owning 8,000 real estate registrations in total. **PFE**

German open-ended property funds see steep net outflow in March - CBRE

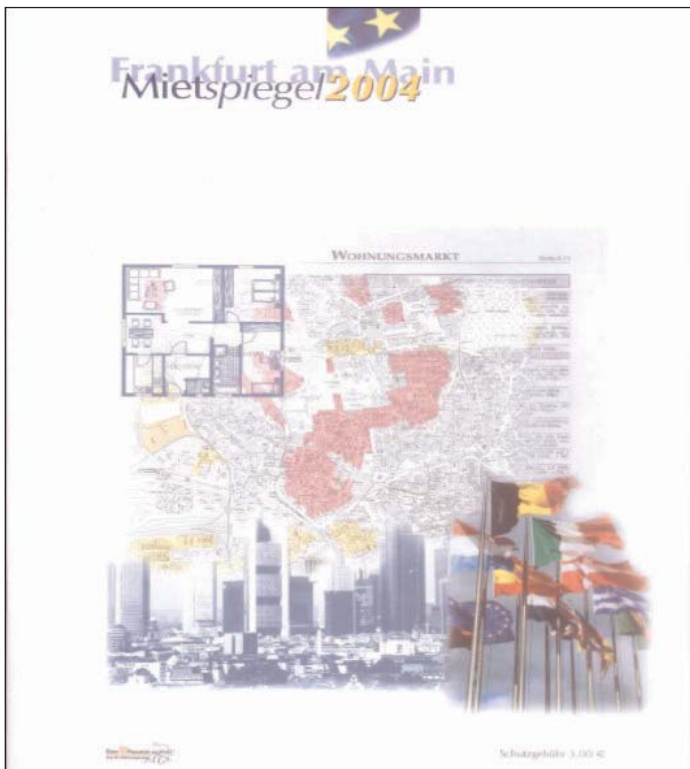
The 30 German open-ended property funds experienced aggregate net outflows of €568m in the first quarter of 2005, with €769m withdrawn in March alone, the latest analysis by CB Richard Ellis showed. This compares to a positive net inflow of €2bn during 1Q04, and over €6bn net inflows in the first quarters of both 2002 and 2003.

In 1Q05, the largest positive inflow was into KanAm's grundinvest fund, €98m, while the largest capital outflow was from DEKA's real estate funds (ImmobilienFonds). The problems with DEKA funds contributed to a total of 13 German open real estate funds seeing outflows in 1Q05 compared to a multi-year average of seven in any given month.

DEKA's ImmobilienEuropa showed its second consecutive negative monthly flow in March. However, funds with a strong European emphasis have in the recent past been more attractive to the German public than those holding purely domestic property assets.

Despite this, German investors have taken capital out of cross-border European property funds recently. In March 2005, WestInvest Interselect, HAUS-INVEST Europa and the newly-formed EURO ImmoProfil experienced net disinvestment.

CBRE said that with negative cashflows in four of the last five months, the downtrend in property fund flows seems to be firmly established for now. However the general boom in investment in continental European property continued into 1Q05 so that foreign buyers partially replaced the reduced net investment in German open-ended funds from domestic savers. **PFE**



Every region and major city in Germany is provided by the local housing office with a regular issue of the Mietspiegel, literally "rental mirror", giving private rent levels and official settings.

German office tenants rent 20% more space in 1Q05 - DTZ Research

The five major German urban office markets rented 20% more office space in the first quarter of 2005 than in 1Q04, the latest report by DTZ Research showed. This was partly due to the closure of office moves begun in 2004 and partly due to office users taking advantage of low lease prices to improve their work environments at quite short notice.

In Frankfurt double the volume of office space was rented out in 1Q05, while Munich experienced a 29% rise in new leaseings, cementing its leading position among German urban locations by taking 36% of total new leaseings in the quarter, DTZ said.

As in 2004, many of the office moves were into higher quality and newer premises so that vacancies in lower-quality buildings continued to rise. This has meant, in cases such as Düsseldorf for instance, a trend of banks to transfer office locations away from the centre within attempts to reduce costs and consolidate operations overall. By contrast, law firms have moved into the centre so that the traditional banking quarter between the old town and the Königsallee is increasingly growing into a law office location. **PFE**

Every third German house buyer encounters serious problem – survey

Every third house buyer in Germany encounters a quite serious problem in some aspect of the purchase, according to a survey by the quality survey company Dekra.

The most common problem is poor work and errors by workman in house construction (12,8 %), second is excessively high prices of construction or repair services (11,2 %), third is renovation costs that are higher than originally estimated (7,8 %).

Other frequently mentioned problems were high ancillary costs post-purchase, poor building quality, disadvantageous financing conditions, excessively high mortgage and ancillary-cost payment schedules, and difficulties in renting to third parties.

More than 80% of house purchasers surveyed said they intended to have their own value assessment done on the property rather than rely on the seller's or broker's, and two-thirds welcome the proposal from the mortgage lender to send in its own assessor before approving the financing.

However, Dekra said German house buyers are split over the intention of bank mortgage lenders in the future to set interest rates according to their assessment of the individual credit risk of the purchaser. Only 39% find this a positive development, while 37% of those surveyed rejected this planned development.

The survey was conducted among 1,000 respondents Germany-wide in Dekra branches and also over its online service, www.dekra.de. PFE

Aberdeen hires former Catella research head Bronda for European investment strategy team in Brussels

Aberdeen Property Investors said it has recruited Alessandro Bronda, former Head of European Research at Catella, to expand the activities of its investment strategy team.

The group said Bronda's extensive experience of continental European property markets, will strengthen Aberdeen's European research capabilities.

Jon Lekander, Head of Investment Strategy at Aberdeen Property Investors, said the new hiring was aimed at improving the service to its clients in continental Europe which is of key importance to our large institutional investors.

"We foresee an increased demand for international property investments as the European property markets become increasingly integrated," he said in a press release.

Bronda, who holds an MA in Economics and speaks four languages fluently, will be located in Aberdeen's office in Brussels. He told Property Finance Europe that Aberdeen was well forward in the process of building up its commercial property activities throughout Europe. PFE

Guillaume Poitrinal named CEO of French SIIC Unibail

Unibail, one of the largest French real estate investment trusts (SIIC), said Guillaume Poitrinal was appointed as its new Chief Executive Officer at the annual general meeting on April 28 on the proposition of Chairman and long-time CEO Léon Bressler.

Poitrinal, 37 years old, is a graduate of HEC Business School and has been Unibail's Managing Director since 2002. He joined Unibail in 1995 as a project manager attached to the office of the CEO, and two years later was promoted to Head of Corporate Development and Planning. He became Chief Financial Officer in 1998.

Before joining Unibail, Poitrinal worked in London and Paris for the US investment bank Morgan Stanley. Unibail said Bressler remains chairman of the board. PFE



TMF Deutschland congratulates *Property Finance Europe* on its launch. Best wishes for a very successful future!

TMF Deutschland AG, part of the Netherlands-based TMF Group, is proud to have been awarded the mandate for management and administration of the Special Purpose Vehicle in the Aries securitisation of Russian sovereign debt for the German Federal Government, and also for the first-ever German True Sale Initiative transaction, the Driver One car-lease securitisation issued by the Volkswagen Group.

Contact TMF Deutschland AG for your requirements in Financial Services, Fund Services and Management & Administrative Services.

Hainer Weg 13-15, 60599 Frankfurt am Main.
Contact: Ursula Rutovitz or Angela Bartl.
Email: germany@tmf-group.com
Tel.: +49 69 6636 983-0.

NILEG NEXT TO BE SOLD: A purchaser for NILEG is likely be chosen from among the bids by the end of June, market sources say. However, due diligence and other processes are ahead of schedule so that a decision could be made as early as the end of this month. Druker & Co is based in Frankfurt.

NILEG Immobilien Holding, with total assets of €1.4bn, annual turnover of €250m and 500 employees, is one of the biggest real estate companies in north Germany. Owned almost 100% by NordLB, it manages around 30,000 rented apartments and owns 28,000 of them. NILEG also actively promotes new housing developments, and the parent company holds minority stakes in a series of municipal housing associations.

NILEG's commercial real estate activities cover project development and asset management all over Germany. The main current developments outside of its home Hanover region are in Hamburg, Rhine-Main, Rhine-Ruhr and Berlin. A subsidiary is engaged in holiday home development in Spain. The services division offers facility management and project and planning management for public sector clients.

NordLB last week reported a group operating profit for 2004 of €365m, five times the €74m it earned in 2003. Much

of this was due to halving of risk provisions to €364m vs €716m.

The bank said it will continue to cut costs in order to improve profitability and is aiming at for a Cost-Income-Ratio by 2008 of a maximum 50% as well as Return-on-Equity of at least 11%. At end-1Q05, CIR was 56%, with RoE at 12.6%. However, the latter was based on a low current core capital ratio of 5.4%.

The sale of NILEG is part of a NordLB strategy of cost reduction, refocus on core business and stocking up of capital and reserves. The group was among the German savings and landesbanks prohibited by the European Commission from taking further state sector financing. NordLB is seeking to reach core capital of more than 7% in the course of 2005, and said that on this basis current ROE would be only 10%.

Apartments owned or managed by NILEG are predominantly in the states of Lower Saxony, Schleswig-Holstein and Mecklenburg-West Pomerania. The greater part of the housing stock is concentrated in Hamburg, Hanover, Brunswick and Osnabrück. Established in 1995, NILEG encompasses all associated companies of NordLB involved in property development and real estate. The company holds stakes in over 50 property businesses and project companies. PFE

www.pfeurope.de

Property Finance Europe is a fortnightly report on European real estate finance aimed at banks, institutional and private investors, asset managers, REITs, corporate treasurers, traders, financial professionals, public sector officials, academics and others. Independent of any institution, *Property Finance Europe* is published on the second and fourth Monday of every month by Rose Advisory Ltd., and produced from the offices of the easetec companies in Frankfurt, Germany. *Property Finance Europe* contents are available electronically via Internet. A print/mailed copy will eventually be available for subscription. Internet/email registration enquiries are welcomed at www.pfeurope.de. Information contained in *Property Finance Europe* is under copyright protection and is based on sources believed to be reliable. Their complete accuracy cannot however be fully guaranteed. Neither the information nor the opinions expressed constitute, or are to be construed as an offer or solicitation of an offer to buy or sell investments.

REGISTRATION FORM – PROPERTY FINANCE EUROPE

Registration for regular receipt of *Property Finance Europe* will be available soon on line. However if you prefer, please fax the form below to ensure early registration for the fortnightly update on European real estate finance.

Please register me for email notification of *Property Finance Europe*. I understand that, upon registration, *Property Finance Europe* will be made available to me in Adobe PDF form for downloading from the above website.

FAX TO: PROPERTY FINANCE EUROPE +49 (0) 69 9624 4890

name.....

email.....

company.....

street.....

city..... postcode.....

state..... country.....

telephone fax.....

Property Finance Europe. c/o easetec, Hainer Weg 13-15, D-60599 Frankfurt am Main. Germany.
Telephone +49 (0) 69 962448-0, or email: editor@pfeurope.de