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MADISON INTERNATIONAL REALTY MAKES FIRST MAJOR EUROPEAN LOGISTICS INVESTMENT

Madison acquires 46.5% stake in the Polish 14-property ELI portfolio

NEW YORK, 20.01, 2020 -- [Madison International Realty](#), a leading real estate private equity firm, announces that it has acquired a 46.5% equity stake in European Logistics Investment platform (“ELI”), a ca. €500 million Polish real estate portfolio, from majority owner Redefine Properties Limited, a leading South-African based Real Estate Investment Trust (REIT). The transaction is Madison’s first major logistics acquisition in Europe as it looks to increase its exposure to the asset class.

The platform, co-managed by the 7% minority co-investor Griffin Real Estate, a leading investment manager in CEE, and Panattoni Europe, a market leading European logistic developer, comprises 14 standing assets totaling around 560,000 sqm thereof 80,000 sqm nearly completed with around 90% pre-leasing and an additional development pipeline of 270,000 sqm to be started once pre-leases are secured. Spread across Poland’s key distribution hubs of Warsaw, Lodz, Cracow, Silesia, Pomerania and Posnania Regions and developed to a high technical specification, the completed properties are around 95% occupied with a blended WALT of over 4 years. As part of the business plan, the parties aim to further grow the portfolio over the next years to create the leading Polish logistic platform. As part of the transaction, Madison will provide a €150 million commitment to ELI, of which €83.7 million will be used to acquire a 46.5% interest in the existing assets and developments in progress while leaving a commitment of €66.3 million to expand the portfolio over the next years. Redefine will match Madison’s commitment of growth capital.

Matthias Cordier, Managing Director at Madison International Realty, commented on the investment: “This transaction represents a rare opportunity to enter the European logistics market with a significant investment into an existing large scale, high quality portfolio. We believe the superior market dynamics in the Polish logistics sector present an attractive entry point compared with other European logistics markets as well as asset classes in Poland.



We are excited to be working alongside an established group like Redefine and with premier asset managers and logistic developers in Griffin Real Estate and Panattoni.”

Madison has been invested in the Polish market since May 2018 when it acquired a 50% interest in the iconic Warsaw Spire office tower from Ghelamco. The tower was sold in July 2019 to IMMOFINANZ for €386 million. Last year, Madison also bought a controlling stake in Capital Park SA, a Warsaw-listed real estate investment company with a portfolio comprising 304,000 sqm of leasable space, 77% of which is situated in Warsaw.

“With our new joint venture partner Madison, we are able to fast track our ambitious target to build ELI into a leading player in the Polish logistic sector, along with our market leading Polish retail platform EPP with a GAV of over €2.2billion. Poland continues to be an attractive market for Redefine with its positive economic outlook and solid real estate fundamentals” said Andrew Konig, CEO of Redefine Properties.

“Griffin Real Estate will increase its stake as co-investor and will support both Madison and Redefine in executing its ambitious growth plans with respect to ELI.” says Nebil Senman, Managing Partner at Griffin Real Estate. "We believe that the Polish logistic markets will continue to grow as a key logistics hub for international e-commerce players but also an increasing number of new production companies. With Madison, we think we have identified the right partner for ELI to further capitalize on logistic real estate," adds Maciej Dyjas, Managing Partner at Griffin Real Estate.

Robert Dobrzycki, CEO at Panattoni Europe commented: “We are excited to help ELI in developing a leading yielding logistic platform in Poland and are delighted to work together with prime investors and managers as Redefine, Madison and Griffin Real Estate”.

About Madison International Realty

Madison International Realty (www.madisonint.com) is a leading liquidity provider to real estate investors worldwide. Madison provides equity capital for real estate owners and investors seeking to monetize embedded equity, to replace capital partners seeking an exit and to recapitalize balance sheets. The firm provides equity for recapitalizations, partner buyouts and capital infusions; and acquires joint venture, limited partner and co-investment interests as principals. Madison invests in secondary transactions and focuses solely on



existing properties and portfolios in the U.S., U.K., and Europe. Madison has offices in New York, London, Luxembourg, Amsterdam and Frankfurt, where the firm operates under the name of Madison International Realty GmbH.

About Redefine Properties

Redefine Properties (www.redefine.co.za) is a leading South African-based, internally managed Real Estate Investment Trust (REIT), with the primary goal of growing and improving cash flow to deliver quality earnings that will underpin sustained growth in distributions and total return per share.

We manage a diversified property asset platform with a value of R95.4 billion, comprising local and international property assets. Our property platform is anchored domestically by directly held retail, office and industrial properties, complemented by substantial property investments in Poland, the United Kingdom, and Australia.

Redefine is listed on the Johannesburg Stock Exchange (JSE), has a market capitalisation of R45.5 billion, and is included in the JSE Top 40 Index.

About Griffin Real Estate

Griffin Real Estate (www.griffin-re.com) is the largest and most active investment manager in private equity real estate in CEE. Griffin originates and manages private equity- type investments into real estate-related companies and assets. Griffin invests on behalf of both its owners and its renowned international investors. The gross asset value of Griffin-managed investments across eight different platforms exceeds€5 billion.

About Panattoni Europe

Panattoni (www.panattonieurope.com) is the leading industrial space developer in Europe. In Poland the company has completed projects totalling more than 7 million sqm of space. Its goal is to support local businesses by providing multi-functional, built-to-suit warehouse facilities. The developer is also active in Czechia, Germany, Netherlands, Slovakia and the UK.



For further Information:

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