

Press Release

Market report shows: German real estate market for crowdinvesting booms

Munich/Berlin, 26 October 2016

The business with real estate financing via crowdinvesting is gaining momentum: Of the 47 deals taken into account since 2012, 60% were completed in 2016 alone. These results are made available in the new FAP Special Report on "Real Estate Crowdinvesting".

Crowdinvesting enables the participation in real estate projects with financial contributions of at least EUR 10. This form of investment is still in its infancy regarding the German market for subordinated capital, but has increased significantly over the last two years.

In 2015, 8 platforms achieved a combined investment volume totaling EUR 22.7m with 16 completed deals. EUR 17.5m (approx. 77%) of this was arranged via only 3 platforms. The capital invested across 7 crowdinvesting platforms in 2016 to date totals approx. EUR 19.1m with 28 completed deals. EUR 15.3m of this (approx. 80%) again was arranged via only 3 platforms. The average crowd capital volume per deal to date is approx. EUR 0.6m.

For the overall year 2016, FAP forecasts an investment volume totaling approx. EUR 28m which produces an estimated implemented market value volume of EUR 335m. Crowdinvesting platforms so far focus on the residential sector. Increasingly also offices, retail, logistics, nursing homes and student/micro-apartments will be considered. Preferred risk classes are development projects, modernizations, refurbishments and value-add scenarios.

These results are provided in the FAP Special Report on "Real Estate Crowdinvesting", which has been published for the first time. Jörg Scheidler, Managing Director of FAP, comments: "Being a young, fast growing market segment, crowdinvesting is an exciting alternative. This new form of investment is going to evolve as an independent market for subordinated capital."

About Flatow AdvisoryPartners (FAP)

Flatow AdvisoryPartners GmbH (FAP) is the leading independent consultancy for the procurement and structuring of capital for real estate investments and development projects in Germany. As a one-stop agency, FAP secures overall financing comprising debt capital and, where necessary, equity replacement funds. FAP's involvement in transactions and projects means that our services are called upon by purchasers, vendors, agents, lenders and those seeking to raise capital.

FAP, with its head office in Berlin, was founded in 2005 by Curth-C. Flatow, who heads the company as Managing Partner alongside Managing Director Jörg Scheidler. Co-operation partners include Savills, BNP and Engel & Völkers.



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