

Albulus gets €100m backing for German NPL market

Published: **18 June 2013**

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German nonperforming loan specialist Albulus Advisors has revealed €100 million of backing from a portfolio company of the Lewis Trust.

Albulus Advisors has agreed to a €100 million equity funding arrangement with UK & European Investments (UKI) to buy nonperforming and sub-performing loans in Germany, the firm announced.

Albulus, which was founded by Ruprecht Hellauer, former managing partner of Lohnbach Investment Partners, in 2011, said it planned to “join forces” with UKI and that its partner intended to allocate up to €100 million in equity capital for nonperforming and sub-performing loan investments. UKI is a real estate subsidiary of the Lewis Trust Group, which is the family vehicle behind UK fashion chain River Island with 300 stores across the UK, Ireland and throughout Asia, the Middle East and Europe.

The agreement follows a maiden transaction together in November, when the pair bought a loan collateralized by the five-star Intercontinental hotel in Hamburg. The loan subsequently was resolved via an asset sale to Kuehne Immobilien last month.

In a statement, the partners said they would specifically target loans with collateral in the major German metropolitan areas. “The investment focus is on less liquid single-loan transactions or NPL baskets ranging between €10 million and €50 million equity rather than larger portfolios. UKI and Albulus will consider loans backed by collateral such as commercial properties, hotels and other operating assets,” the two firms said.

Hellauer added: “Germany is one of the most attractive markets for nonperforming loans in Europe, with strong creditor protection and a liquid real estate market. This is an exciting time for us as we are seeing an increased deal flow.”

Adam Golebiowski, acquisitions director at UKI, said: “Investing with Albulus is a significant step to capitalize on the European NPL opportunity. We see Germany as one of our core markets in Europe, and we intend to increase our asset allocation to this strategy over the next few years,” he said.

UKI and Albulus currently are carrying out due diligence on three transactions in Germany, which are expected to

close in the second half of 2013, they noted.

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