
US investor helps Catalyst line up European retail buy

Catalyst Capital has structured a €155m acquisition of 30 retail assets for its European Property Fund in partnership with a US investor.

Catalyst's opportunity fund invested €33m of equity in the transaction and brought in a US investor, which put in about €25m of equity. The rest of the deal, including costs and equity

for capital expenditure, was financed with €85m of senior pbb Deutsche Pfandbriefbank debt and €21.5m of stretched-senior debt from BAWAG.

Kean Hird, partner in charge of Catalyst in Germany and central Europe, said the debt's blended yield was around 3%.

Catalyst considered financing with mezzanine debt, but the

equity was less expensive.

The private equity fund manager bought the Guernsey trusts that held the assets from a London-based private wealth manager with the co-operation of four banks that backed the owner: Barclays, Deutsche Hypo, Nationwide and Wells Fargo.

The properties are retail warehouses, supermarkets and

discount stores mainly in Bavaria, Baden-Wurttemberg and North Rhine-Westphalia. Hird said about half have secure income while the rest will be asset managed.

Catalyst is also advising ADIA on Belgium's largest office deal for several years, for the 678,000 sq ft Zuiderpoort complex, which was agreed with 12 banks.