

Press release

Bottermann Khorrami assists in structuring real estate bonds with a volume of EUR 25 million

- The issuer is a German project developer who invests in value-added residential real estate
- The proceeds will be used to renovate and upgrade the properties
- Investors are primarily from Russia, the Baltic states and Ireland
- Russian investors are now focusing on German real estate in the wake of Brexit

Berlin, 12 December 2016 – Berlin-based law firm Bottermann Khorrami LLP has provided advice in the structuring of real estate bonds with a total volume of some EUR 25 million. The bond issuer is a German project developer who will use the capital to acquire and upgrade value-added residential real estate throughout Germany. The real estate properties are located in German B and C cities such as Duisburg, Mainz and Minden. The bond investors are predominantly from Russia, the Baltic states and to a lesser extent from Ireland.

Dr. Esfandiar Khorrami commented: “Brexit has resulted in Russian investors turning away from the previously popular UK market. Given the uncertainty of the British market combined with its extremely volatile currency and the political risks, German real estate is now more appealing to Russian investors.” He added that “the reluctance of the British government to take concrete steps to trigger a departure from the EU and the ensuing lack of clarity is having a strong negative impact on investments by foreign investors in the UK”.

“Foreign investors have been limiting themselves to A cities for a long time. They are now breaking out and are investing in B and C cities as well. Properties can also be bought for 12 or 13 times the annual rent in these locations at present,” continued Khorrami. “We are also seeing foreign investors accepting higher risks. They are not just restricting themselves to buying existing properties, but are also prepared to take on development risks.” The law firm, which operates throughout Germany, has already advised Israeli family offices, among others, on several renovation investments in Eastern Germany.

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About Bottermann Khorrani LLP

Bottermann Khorrani LLP is a legal and tax consulting firm based in Berlin. The company has 25 employees and advises individuals and medium-sized companies – particularly investors, project developers and investment companies. Bottermann Khorrani LLP pursues two courses: it provides foreign clients with projects in Germany advice on German law (inbound consulting) and offers consulting services for clients with international investments (outbound consulting). The lawyers and tax consultants at Bottermann Khorrani offer their services in a number of languages and are familiar with a diverse range of cultures.