

Workshop Immobilien Aktien Initiative

European Player versus Local Sharpshooter

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Question: What is the main goal of a Real Estate Company?

To provide real estate exposure in the most efficient way to those markets and sectors where the company has a competitive advantage through superior knowledge and operational systems in order to achieve above average returns.

Examples of European Players

Retail sector

Rodamco Europe (NL)

Corio (NL)

Eurocomm. Properties (NL)

VastNed Retail (NL)

Klépierre (FR)

Deutsche Euroshop (G)

Hammerson (UK)

Office/Industrial sector

IVG Immobilien (G)

Züblin (CH)

Immofinanz (A)

CA Immobilien (A)

Which companies started/abandoned an international strategy over the past decade?

Started

IVG Immobilien (G)

Corio (NL)

Züblin (CH)

CA Immobilien (A)

VastNed O/I (NL)

Deutsche Euroshop (G)

VastNed Retail (NL)

Abandoned

British Land (UK)

Hufvudstaden (SWE)

Diligentia (SWE)

Drott (SWE)

Examples of Local Sharpshooters

Germany	France	Netherlands	UK
Deutsche Wohnen	Unibail SFL/Sophia Gecina	NSI	British Land Land Sec Liberty Canary Wharf Group

Which companies started/abandoned a local sharpshooter strategy over the past decade?

Started	Abandoned
Deutsche Wohnen (G)	Corio (NL)
British Land (UK)	VastNed O/I (NL)
Canary Wharf Group (UK)	CA Immobilien (A) Immofinanz (A)

Rationale for international strategy

- Reducing the overall risk of the company due to diversification
- Increase the size of the company and thus liquidity of the stock
- Providing geographic spread to investors, that can not achieve that themselves (private investors/smaller institutions)
- Cross-selling of tenants over several countries
- Only with local organisations
- Playing the cycles
- Economies of scale (lower overhead expenses)

Rationale for local sharpshooter strategy

- Specialisation in markets
- Lower overhead expenses
- No risk of culture clash
- Information edge
- Providing better transparency to investors
- Providing the shareholder a pure play on a country

Discussion

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