Expo Real Messeausgabe

Using instead of owning – the international business expansion opportunities with leasing

Investitionsfinanzierungen über Bankkredite sind schwieriger geworden. Umso intensiver suchen Unternehmen nach alternativen Möglichkeiten der Kapitalmobilisierung. Doch auch das Börsenklima trübt sich wieder ein, sodass das Umfeld für Anleihe- und Aktienemissionen gegenwärtig alles andere als günstig ist. Doch viele europäische Unternehmen hüten in den Augen des Autors einen Schatz, der jedoch weder essentiell für ihr Kerngeschäft noch für den Eigentümer ertragreich ist – die Immobilien. Das in ihnen gebundene Kapital empfiehlt er durch Sale-and-Lease-back zu aktivieren, weil sie dann gleichzeitig weiter genutzt werden können. (Red.)

Economic uncertainty across the Eurozone has continued to seriously impact credit markets with fears of sovereign default and the potential for a global "double-dip" recession resulting in financial institutions being increasingly unwilling to lend. However, the constrained capital markets and the over-leveraged corporate sector have now stimulated a growing supply of transactions and, according to property consultancy CBRE, there have been more than 40 billion euros (57 billion US-dollars) of corporate real estate sales since the property crash in 2008.

Alternative funding as support of the growth strategy

The reduced availability of traditional debt financing means businesses looking to expand have to find alternative funding to support their growth strategy. As a result, organisations are choosing to monetise their operational assets as a source of asset-based financing and as a capital raising tool. Credit worthy companies benefitting from strong management and a solid business strategy are able to take advantage of real estate asset-based financing. Many real estate investors are now tending to move away from traditional high leverage deals to a more income-oriented approach where previous capital gain strategies have become largely unavailable due to these tightened credit conditions.

Der Autor

Jan F. Kärst

Managing Director, W. P. Carey & Co. LLC, New York, and Chief Operating Officer, W. P. Carey International

Sale-leaseback transactions and similar forms of asset-based financing offer companies the ability to release the full equity value embedded in their corporate real estate. This capital can then be redeployed for a range of purposes including restructuring balance sheets, paying down existing debt, funding operating costs and enabling expansion strategies. The long term of sale leaseback financing, usually a period of 15 to 25 years, coupled with maturing lines of credit and other short and medium-term debt maturities, has made real estate asset-based financing an appealing alternative source of capital offering CFOs and senior management the chance to improve their ongoing financing costs.

W. P. Carey is a global investment management company specializing in longterm sale-leasebacks with over ten years' experience investing in European corporate real estate. The European market has become well established in terms of sale-leaseback financing; however there is considerable scope for growth with a large supply of investable property. In addition to this, the ratio of freehold to leasehold property is significantly higher than in the US where there has been less of a tradition of companies feeling the need to own their real estate. The estimated value of the European real estate assets privately held by corporations is estimated to be around 2.2 trillion euros and therefore it would seem that in the wake of the global economic downturn there is great potential for the continued growth of corporate real estate as a capital raising asset.

Three examples

W. P. Carey has recently seen three different examples of the use of long-term sale-leaseback financing.

- Firstly, for a company needing to pay down debt which entered into a sale leaseback transaction in order to release the full equity value held in its physical assets thereby providing the company with an attractive long-term source of capital. In this instance W. P. Carey completed a 155 million euros long-term sale leaseback financing transaction with C1000 B.V., the second largest food retailer in the Netherlands. In this case the company was able to convert illiquid fixed assets into cash with the transaction allowing C1000 B.V. to reinvest the capital into its retail business to support its growth initiatives, and importantly, pay down debt.

- A second opportunity was with a company looking to restructure and recapitalise its balance sheet. W. P. Carey acquired the headquarters of Distribuidora de Television Digital S.A.U., the largest provider of digital pay television in Spain, in an 86 million euros transaction at the end of 2010. The deal was completed as part of the company's restructuring, which included the sale of a 44 percent stake in the Pay TV business. Additionally the company entered into an agreement with US-based Liberty Acquisition Holdings Corporation under which Liberty acquired a stake of approximately 30 percent of the parent company PRISA's equity. The sale-leaseback on DTS's headquarters, a critical asset for the business, was the third element in the restructuring and typified the benefits these forms of transaction have for both the owner and the tenant.

Agrokor facilities in Croatia

The third transaction provided the opportunity for a corporate real estate investment to help a company secure long-term financing on its longest-term assets. W. P. Carey's acquisition of a portfolio of key retail facilities in Croatia for a total consideration of 49 million euros from Agrokor, the country's largest food producer, followed a similar 77 million euros transaction with the company on its key logistics properties. The portfolio was leased on a long-term triple-net basis and allowed the company to fund its growth strategy in the region with secure long-term financing.

In terms of geographical and sector development, a large source of potential growth lies in Central and Eastern Europe where real estate developers are being squeezed both indirectly and directly with regards to their financing options. The indirect issue is due to the difficult economic environment making securing a "forward purchaser" very challenging. Secondly, country ratings and related economic indicators can move outside an investors comfort zone and, given the lead time of many months, forward purchase investors are also having trouble securing the debt commitments they need for an acquisition to make sense for them.

Challenges

Without the forward purchaser to ensure a take-out upon completion, the traditional financing structure of a developer becomes very challenging. To suit such sorts of fonancing schemes, a form of sale-leaseback financing which can fund 100 percent of the development costs and provide a take-out on completion, can be the solution in cases where the properties are pre-leased to credit-worthy tenants under long-term leases. W. P. Carey has recently undertaken a number of build-to-suit transactions benefiting both clients and developers.

Immobilienfinanzierungen ohne Ecken und Kanten.

Wir fördern Sie bei der Modernisierung und Sanierung Ihres
Eigenheims in Berlin. Unsere Berater freuen sich auf ein Gespräch.

Sprechen Sie uns an:
Telefon: 030 / 2125-3488
E-Mail: wohnen@ibb.de
www.ibb.de/wohnen_modernisieren

Investitionsbank Berlin
Leistung für Berlin.