Redefine acquires 95% share in Polish logistics portfolio

Redefine Properties has furthered its expansion into the Polish market with the acquisition of a 95% share for €185.8m (R2.9bn) in a portfolio of nine operating logistics properties. It has also entered into a five-year exclusive priority right for a pipeline of 24 new warehousing and logistics developments with Panattoni, a player in the leasing and development of logistics properties in Europe.

The developed properties are in established logistics locations and were bought from a fund managed by one of the largest United States global asset management companies. The properties have a gross leasable area of 313,507m^2, are 98% occupied and have a weighted average lease expiry of 3.5 years. Griffin Real Estate, which sourced the transaction, will own the other 5%.

The development pipeline consists of 24 identified development opportunities, which total gross leasable area of 1.9-million square metres. Redefine will have the right but not the obligation to acquire and develop these assets.

No additional resource burden

The developed assets being bought have an initial income yield of 7.1%, while interest rate and currency volatility has been mitigated through full hedging.

“We accessed offshore funding at competitive pricing and productively deployed a portion of recycled offshore capital, while there is no additional burden to Redefine’s resource base. Incremental distributable income will be applied towards our stated intention of phasing out non-recurring income,” said Redefine CEO Andrew Konig.