TRISTAN FUND ACQUIRES STOCKHOLM SHOPPING CENTRE PORTFOLIO FOR €94M

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Tristan fund acquires Stockholm shopping centre portfolio for €94m

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Editor

Profile

EPI Special Opportunities 4 (EPISO 4) acquired the assets from a fund managed by Aberdeen Asset Management.

Daniel Harris, managing director for the Nordic and CEE Regions at Tristan Capital Partners, said: 'The retail sector is enjoying a period of sustained growth as a result of the robust performance of the Swedish economy. The acquisition of this portfolio of local convenience shopping centres, primarily located in Stockholm, offers a strong platform to benefit from the increasing buying power of the Swedish consumer.'

Sweden's economy is forecast to grow by 4% this year after expanding 4.1% in 2015, with household consumption rising on average by 2% in each of the last five years. The purchase of the portfolio is the second investment by a Tristan fund in the Swedish market and is being undertaken with a new operating partner, local retail developer and asset manager Elisby Fastigheter, headed by Magnus Lofgren.

The largest asset is a 26,700 m2 retail park in Östersund, northern Sweden. The park comprises several large retail warehouses that have all recently been rebuilt and renovated and is part of a regeneration area that once completed, will have 900 new households to increase footfall. Östersund has a population of 45,000 and is growing by 3.5% per annum.

The largest of the assets in the Stockholm area is Viksjo Centrum, which accounts for 29% of the portfolio rental income. The asset, located in the centre of a middle-class suburb of Stockholm, is currently undergoing modernisation, including a 1,700 m2 extension that will bring its total size to about 11,600 m2. The shopping centre serves the neighbourhood of Viksjo, which has 15,000 inhabitants and is expanding, having grown by 5% between 2011 and 2014.

Ekero Centrum, Stockholm comprises 11,000 m2 of lettable area and generates 28% of the portfolio income. The asset is the only commercial centre on the island of Ekero and is in a middle-class suburb with high incomes, low unemployment and consistent population growth of 3.6% a year.

Salem Centrum comprises 6,250 m2 of lettable area and provides 9% of the income. The asset is located in a neighbourhood of Stockholm with income slightly above the national average, which is experiencing a high influx of Swedish domestic urban migrants.

Rondellen, Stockholm (4,700 m2 lettable area and 9% of the income) is a small but strategically located asset in Upplands Vasby, 26 km north of Stockholm.

Linklaters and Custor Capital advised EPISO 4 in the transaction.

ENDS

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About Tristan Capital Partners

Tristan Capital Partners is an employee-owned investment management boutique specialising in real estate investment strategies across the UK and Continental Europe. Tristan's pan-European real estate funds include core-plus and value-added/opportunistic strategies with total assets under management of over €7 Billion. Tristan is the portfolio manager for core plus funds Curzon Capital Partners III and Curzon Capital Partners IV and for the private equity funds European Property Investors, LP, European Property Investors Special Opportunities, LP and European Property Investors Special Opportunities 3, LP and European Property Investors Special Opportunities 4 LP. Tristan's headquarters are in London and it has offices in Luxembourg, Milan, Paris, Stockholm, Dusseldorf, Madrid and Warsaw.

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