

# Berlin-based Skjerven Group CEO: “I haven’t been as busy as I am now for years”

“The investment that you do in those dark times, they’re the best investments you can do,” said the CEO after completing a €54m resi deal in Berlin

Lukas Job | 14th May 2020, 5:20 pm

**Einar Skjerven**, CEO of **Skjerven Group**, says that now is a good time to acquire residential property in Berlin. The German asset manager just closed a €54m deal for a portfolio of eight residential properties on behalf of Swedish property manager **Heimstaden**.

“As they say, never miss a good crisis. We are now trying to be on the buy-side while most international investors are staying away from Berlin, using

the momentum that property owners are more concerned about the future than we are,” Skjerven told *REFI Europe* in an interview. “I haven’t been as busy as I am now for years. We bought two properties just yesterday, 70 units in Prenzlauer Berg. We bought another 300 units in the last week of April, and we have a few other portfolios between €80m and €120m that we are currently doing calculations for.”

“Of course, it all depends on what will happen further down the road, but in the end, the market will stabilise, and the economy will grow again. We survived the Dotcom crisis, we survived the Russia crisis, we survived the Lehman Brothers bankruptcy. The investment that you do in those dark times, they’re the best investments you can do.”

## The Berlin residential market

In Q1 2020, Berlin defended its position as Germany’s top investment market with a transaction volume of €3.9bn, according to research by **JLL**. The broker cited the city’s scarce supply as well as strong economic and employment growth as the main drivers behind capital investments.

“The supply and demand sides are imbalanced. The supply of new housing is between 4,000 and 8,000 units per year, but at the same time, there are between 30,000 and 40,000 people moving to Berlin every year. Residential vacancy is approximately 1%, it’s almost impossible for tenants to find apartments,” said Skjerven.

Although some fear that Covid-19 could put an end to Berlin’s investment boom, research institute **F+B’s Corona Index** found that purchase and rental prices for residential property have largely been stable over the past eight weeks of lockdown in Berlin. Average homes price only decreased slightly from €6,048/sq m in early March to €5,702/sq m in early May, while rents even saw a minor 5% increase over the same period.

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"The current price levels continue to allow for purchases at reasonable long-term returns. As a consequence, the Berlin housing market should further continue to gain in importance as a safe haven for investors over the coming months and years."

Major residential deals during lockdown included the €50m purchase of a 13,700 sq m development project by the *Catella Wohnen Europa* fund and **Quest Investment Partners'** acquisition of a 7,000 sq m mixed-use asset in Berlin's city centre.

### **The Heimstaden portfolio**

The eight newly acquired properties comprise a total rental area of 20,000 sq m, spread across 300 apartment units. The average purchase price was around €2,700/sq m. The assets are located in the districts of Mitte, Moabit, Pankow and Wedding.

The deal marks the third time that Skjerven Group buys a residential portfolio for Heimstaden in Berlin. They completed their first acquisition in the German capital in July 2018, when they purchased a €66m property portfolio of 484 residential units in Berlin-Spandau. Their most recent purchase was a portfolio comprising 599 apartments offering a rental area of around 44,650 sq m in December 2019.

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