

# Italian manager ACP SGR launches thematic multi-strategy real estate fund with ESG focus

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Italian investment house Alternative Capital Partners SGR (ACP SGR) has launched a thematic multi-strategy real estate AIF within the framework of its commitment to invest in unexplored segments of illiquid alternative thematic investments with an impact on the environment and real economy.

The new Infrastructure Real Estate Recovery Fund (IRERF) is dedicated to investing primarily in office space, tourist accommodation and residential use properties, including those with a troubled history and likely to be reconverted through light capex interventions and/or recently refurbished, promoting urban regeneration and social infrastructure transformation, through innovative and mixed formats such as Smart/Coworking, Student Housing, Hostelling and Co-living/Shared Housing.

The investment strategy is mainly income driven and ESG compliant, aimed at providing IRERF's investors with an attractive risk-adjusted return while generating intrinsic benefits for the territories involved and end asset users, said the firm in a note.

**In our country the real estate offer, particularly in office space, tourist accommodation and residential use properties, consists of largely obsolete structures, inadequate in terms of structural standards, energy efficiency and services offered, compared to the European average," Emanuele Ottina**

ACP SGR has signed partnership agreements with the leading national & international operating managers specialized in the Fund's four investment

target segments, each applying flexible business models perfectly aligned with the offer of the spaces to be converted. The fund focuses on acquiring properties primarily in Italy as well as in the rest of Europe, suitable and attractive for its operating partners' expansion strategies and/or assets in which the selected partners are already successfully operating.

The company said it had identified, selected and analysed an initial target portfolio of nine operations to the date - widely diversified by segment, location and operating partner -, which can be acquired and renovated according to sustainable standards upon Fund's closing.

The fund maturity is eight years and the expected unlevered IRR is over 6.5% (over 8.5% levered, assuming 50 % of debt financing), with an attractive dividend distribution profile.

In an interview with this publication last June, the firm announced it was launching two thematic AIFs, which would invest in infrastructures and in social real estate infrastructures, both aimed at supporting the energy transition and the educational growth of new generations, respectively.

As for the real estate sector, the firm's investment solutions have been designed to bridge the lack of private equity real estate funds aimed at converting, enhancing and regenerating buildings into urban social infrastructure, through innovative management formats and styles (including hybrid and mixed) including smart/co-working, student housing, hosteling and co-living/shared housing.

In the energy sector, ACP's strategies seek to compensate for the absence of Italian debt funds investing specifically in new green energy infrastructure projects, including energy efficiency, renewables, circular economy, distribution and recharging networks.

Emanuele Ottina, executive chairman and head of the Private Equity Real Estate division, said: "In our country the real estate offer - particularly in office space, tourist accommodation and residential use properties - consists of largely obsolete structures, inadequate in terms of structural standards, energy efficiency and services offered, compared to the European average.

"A persistent recovery in transaction volume in these segments has not yet been followed by an equal price appreciation, which remains stagnant; this opens up interesting investment opportunities in properties awaiting to be reconverted into social infrastructure, enhancing their value and managing them through innovative formats that contribute to urban regeneration and to the future generations' way to live spaces. This is why we conceived IRERF, in order to allow investors who strongly believe in social and environmental responsibility,

as we here at ACP do, to address their sustainable investments towards the real economy."

Alternative Capital Partners (ACP) SGR is an asset management firm investing in alternatives and applying ESG principles to the entire spectrum of private assets. It was co-founded in Italy in 2018 by Emanuele Ottina and Evarist Granata.