

Dublin Firm Acquires German Nursing Home

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Elaine O'Regan – Done Deal

Company: Augusta
Done Deal: €5 million
Turnover: €1.5 million
Staff: eight
Established: 2004

Dublin property investment company Augusta has completed a €5 million deal to acquire a nursing home in Germany on behalf of a Terenure based accountancy firm.

Augusta finalized the acquisition on behalf of its client, Cronin & Co. in March. The 7,000 square metre site for the nursing home is on Berliner Strasse in the town of Gross Köris 45km outside Berlin. When construction of the 2,400 square metre facility is completed at the end of the year, German social care specialists Volkssolidaritaet will take over the management of the business.

Augusta is also working with Volkssolidaritaet to manage a separate nursing home development in the town of Hohenstein in Saxony. "The property is a combination of an existing property, a property in redevelopment and a new development," said Augusta chief executive Declan Kennedy.

"The purchase, once complete, will be in excess of €6 million. The whole property will be operated by Volkssolidaritaet, who already operate the part of the property currently developed."

Kennedy, who is the former chief executive of Irish Forestry Funds, established Augusta in 2004 to provide a range of property investment services to the Irish market.

The company has over 600 clients, and Kennedy said it currently has €100 million worth of property under management in Germany and Britain. It no longer handles investment in the British market, focusing solely on opportunities in Germany.

"Germany offers a very attractive investment opportunity for Irish investors, due to its demographic profile," he said. "Recent research has indicated that the average age in Germany is 42.6 years, as opposed to 35 for the rest of Europe.

"Not only is a quarter of the German population already over 60 years of age but this trend is set to continue. By 2020, their average age will increase to 55, over 12 years above the European average at that time."

In the last 12 months, Kennedy said Augusta had finalised ten investments in Germany, totalling €25 million, on behalf of its private clients. These include a third nursing home in the town of Nienhagen near Hamburg in Lower Saxony, purchased at a cost of €5 million and operated by German nursing home provider Kursana.

Augusta has invested in two separate medical centres on Weissensee in Berlin. One is complete, and the second is due for completion next month. "It will be occupied in June 2007 by a number of medical professionals," said Kennedy.

The company has also managed the acquisition of a pharmacy in Weissensee in Berlin, two seven-story residential properties in Berlin with ground floor retail space, and a separate five-story office scheme in the Berlin borough of Kreuzberg, again with ground floor retail space. Augusta will launch a new syndicate next week. "We have secured debt for two shopping centres in Germany and are now in the process of raising the equity. We're selling 100 shares for these at €50,000 each," said Kennedy.

Augusta employs eight staff at its offices in Monkstown, and has a turnover of €1.5 million.