

# Munich firm targets German investors for €2bn Canadian shopping spree

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Recan Global launches two Canada funds in Luxembourg



The Toronto skyline

- **What** Munich firm Recan Global to raise €400m for two Canada funds
- **Why** It sees the country as a “hidden champion” in the real estate sector
- **What next** Investors can participate in the fund with a €5m commitment

Recan Global is targeting German institutions to raise between €300m and €400m in 2023 for two funds investing in Canada, *React News* can reveal.

The Munich-based firm was founded by Sven J Matten, who has both German and Canadian citizenship. Prior to founding Recan in 2020 he had been investing in Canada for more than 20 years.

The funds were delayed first by the pandemic and then by the interest rate hike. Now they have been launched in a Luxembourg Reserved Alternative Investment Fund (RAIF) structure that complies with the EU's article 8 requirements. The Canadian Commercial Real Estate Fund I (CCRE fund) and the Canadian Multi-Residential Real Estate Fund I (CMREE) funds are each aiming at a total investment volume of around €1bn, of which 50% will be debt.

Speaking to *React*, Matten emphasised that investors from the DACH region have had little chance to invest into Canadian real estate so far. "There are only two or three providers of large North America commingled funds that invest in Canada to a small extent."



*“Canada is a hidden champion in the real estate sector and a safe haven for investors.”*

SVEN J MATTEN, RECAN GLOBAL

He sees the country as a “hidden champion in the real estate sector and a safe haven for investors”, as it gets inflation under control quickly, is independent of energy imports and benefits from steady population growth and a smart immigration policy.

“Around 65% of immigrants have immigrated through special labour market programmes,” said Matten. “That means they have jobs, and they earn money from day one, need housing and offices.”

The CCRE fund focuses on core and core-plus commercial properties in key cities in central and eastern Canada (Ontario, Quebec and Atlantic provinces). It seeks acquisitions of office, industrial and logistics properties and retail centres with local suppliers or non-cyclical retailers as anchor tenants.

The CMRRE Fund invests in high-quality core and core-plus multifamily properties in central and eastern Canada (Toronto, Ottawa, south-west Ontario, Montreal, Quebec City and Atlantic provinces).

The CCRE fund seeks a distribution yield between 5-7% a year; the CMRRE fund 4-6%. The term is 10 years with a two-year extension option, and investors can participate in the fund with a commitment from €5m upwards. A first closing is planned in the second quarter of 2023.