PRESS RELEASE

TSC Real Estate GmbH Berlin, 24. February 2021

TSC Real Estate successfully achieves completion, reletting and reopening of a retirement home project in Alfeld

TSC Real Estate has successfully completed a project for the full refurbishment and modernisation of the Alfeld retirement home located in 31061 Alfeld (Leine) at year-end 2020 and has now handed the home over to the new operator Argentum.

The facility comprises 80 in-patient care beds and 69 assisted living apartments located at Antonianger 42 in Alfeld (Leine) which had been significantly damaged by flooding after heavy rain in mid-2017. As a result, the building had to be totally refurbished and also altered and modernised because of the inadequate construction of the building's fire protection concept which emerged at that point. The total gross project costs were in the order of approx. €16 million.

After the flood damage in June 2017, two of the four floors including all building technical plant and machinery in the basement, a number of structural building elements and most of the windows and façade claddings were completely destroyed. During the refurbishment and modernisation works, it became apparent that the building's fire protection concept carried out by the original developer was not correctly installed in other areas of the property, which required a thorough review of the building legal situation by the relevant authorities and caused an interruption in building works of around 8 months.

On behalf of the owner, a Luxembourg-based retirement property fund, TSC Real Estate carried out a total refurbishment and modernisation of the property and also agreed a surrender of the original agreement with the previous operator and relet the facility to Argentum on the basis of a 25-year lease.

Berthold Becker, Managing Director of TSC Real Estate, explains: "This was a project of almost unparalleled complexity with many problems one would typically like to avoid, but ones which in the end can be very helpful in the long run. These ranged from the termination of the agreement with the general contractor originally instructed to carry out the project because of poor performance during the building phase (and a change to individual contracting) to being sucked into an official quagmire at a time when we really didn't need it and the requirement for a change of operator and subsequent reletting - and all this not only under enormous time pressure but not least also financing and refinancing pressures."

Becker continues: "Nonetheless it was a reminder of how important a thorough technical due diligence can be in the purchase of an existing property, which not only establishes superficial visual findings during a two-hour inspection but also makes a detailed investigation of the underlying building structures and construction standards. This means looking into the service shafts to check whether, for example, the horizontal fire partitions have been installed correctly and if applicable to expose and take samples from dry walls or suspended ceilings and to examine the types of materials used and whether these comply with current building regulations. Even though this involved in some cases extremely strenuous and tedious work, we spared no effort in getting to grips with the resulting challenges and in the end our team led by our head of technical project management Thomas Poley managed to bring this highly complex and difficult project to a successful and not least economically viable conclusion for all involved. We are very happy with the project and proud of what we have achieved for our clients."

About TSC Real Estate

TSC Real Estate is headquartered in Berlin and offers a full range of integrated real estate investment and asset management services. It is a specialist in social and healthcare real estate and also residential, commercial and mixed-use properties. The company’s in-house teams provide investment support throughout the entire investment and property life cycle.

TSC Real Estate currently has 106 assets under management with a combined volume of over €1.5 billion.
For further information please see the website: **www.tsc-realestate.de**

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