



## KKR and Velero expand residential real estate portfolio with the acquisition of around 14,400 units from Adler Group

January 13, 2022

- KKR acquires c. 14,400 residential and commercial real estate units in an asset deal from Adler Group
- The portfolio will be managed by KKR's portfolio company Velero, and is complementary to Velero's existing footprint with units located in eastern Germany, the greater Berlin area and North Rhine-Westphalia
- All existing rental agreements and leases as well as c. 170 employees connected to the portfolio will be assumed

Frankfurt, Berlin, 13 January 2022 – KKR, a leading global investment firm, today announced that KKR has signed definitive agreements to acquire a portfolio of c. 14,400 residential and commercial real estate units from Adler Group. The vast majority of the units are residential. The properties will be managed by KKR's portfolio company Velero, a fully integrated platform for residential property and asset management. Most of the acquired units are located in strong and stable markets in which Velero is already active, including the cities of Cottbus, Leipzig, Halle, Erfurt, Jena, Dresden and Chemnitz, as well as other cities in eastern Germany, the greater Berlin area and North Rhine-Westphalia.

As a result of the transaction, the managed portfolio has grown to more than 23,000 residential real estate units, making it one of the largest privately-held real estate companies in the German residential real estate market (by number of managed residential units).

**Jan Baumgart, Managing Director and Head of Real Estate Germany at KKR**, commented: "The acquisition of this portfolio is a testament to our ability to execute on highly attractive opportunities in the German residential real estate market. We look forward to working with Velero to enhance the quality of living, improve the energy efficiency, reduce vacancy and drive operational improvements. We will invest substantially into the properties to achieve these objectives."

**Sascha Giest and Thomas Lange, co-CEOs and founders of Velero**, added: "We are very proud to have, together with KKR, sourced such an attractive and rare portfolio through our long-standing network within the German real estate community. This transaction marks a milestone in the growth journey of Velero. The acquired units make for a valuable addition to our existing portfolio of managed properties and our location strategy. The acquisition of the portfolio will enable us to leverage economies of scale in property management – all while ensuring a smooth transition and high-quality services to our tenants."

In addition, Velero will take on all c. 170 Adler employees performing operational and other asset-related tasks in relation to the acquired portfolio. This will ensure that on-site support for tenants will continue to be provided by the staff that is already well-acquainted with both the properties and tenants.

Lease contracts for all tenants of the portfolio will remain unchanged by the transaction in order to continue providing high-quality housing at affordable rates.

KKR makes its investment from Real Estate Partners Europe II (REPE II) and other managed funds. The transaction is structured as an asset deal and subject to customary closing conditions for an asset deal and clearance by the German Federal Cartel Office.

### About KKR

KKR is a leading global investment firm that offers alternative asset management and capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people and supporting growth in its portfolio companies and communities. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life and reinsurance products under the management of The Global Atlantic Financial Group. References to KKR's investments may include the activities of its sponsored funds and insurance subsidiaries. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at [www.kkr.com](http://www.kkr.com) and on Twitter @KKR\_Co.

### About Velero

Founded in 2015, Velero is a Berlin-based asset manager specializing in the acquisition and management of German residential real estate with a focus on affordable housing. With the acquisition of a majority stake by leading global private equity firm KKR in 2020 the company has evolved into a fully integrated residential real estate platform. Together with its partners, Velero invests in residential portfolios in emerging cities and regions across Germany. In addition to transactions and financing, the range of services includes the complete value chain of asset management, property management and facility management. The portfolio managed by Velero consists of more than 23,000 residential units with a current focus on the eastern German states and North Rhine-Westphalia.

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