

## Deutsche Bank Hired by BGP Investment for European CMBS Deal

By Alastair Marsh - Aug 21, 2013

BGP Investment Sarl, a Luxembourg-based real estate investor, hired Deutsche Bank to arrange about 386 million euros (\$517 million) of commercial mortgage-backed bonds.

The securities will refinance a maturing CMBS transaction, Quokka Finance Plc, and the transaction is expected to close by the end of this month, Mark Dunstan, managing director at BGP, said in a telephone interview. The proposed bonds, to be backed by pools of German residential mortgages, will not be rated, Dunstan said. He declined to comment on the terms of the transaction.

“The interest rate environment is good for refinancing and the market is open whereas a year ago it was very illiquid,” said Dunstan. “The German multifamily collateral is good quality and well-liked by investors.”

Sales of CMBS bonds in [Europe](#) totaled 5.4 billion euros this year, up from 3.2 billion euros sold in all of 2012, according to data from JPMorgan Chase & Co. This year’s largest European CMBS, the 2.1 billion-euro German Residential Funding 2013-1 Plc transaction, was raised by [Gagfah SA \(GFJ\)](#) and helped repay a previous mortgage-backed bond, according to data compiled by Bloomberg.

BGP, which has about 1.3 billion euros of real estate assets, was established in 2005 as a joint venture between Babcock & Brown Ltd. and [GPT Group \(GPT\)](#), which have since relinquished control of the business, according to a statement on BGP’s [website](#).

The existing deal was issued in August 2006 raising 617.5 million euros of securities split into five portions. The 11 underlying loans now total about 550 million euros and are due to repay this year, Bloomberg data show. The loans are secured by about 25,000 residential, commercial, parking and other units, according to [Standard & Poor’s](#).

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