

ECB interest rate cut strengthens long-term prospects for ImmoChance Deutschland 12 Renovation Plus property fund

Mannheim, September 19, 2024 - The European Central Bank (ECB) has cut interest rates again, the second reduction this year, due to the slowdown in inflation in the eurozone. The deposit rate was reduced by 0.25 percentage points to 3.5 per cent. This adjustment is intended to make it easier for companies and private individuals to borrow and is expected to have a positive impact on economic growth.

Primus Valor's ImmoChance Deutschland 12 Renovation Plus (ICD 12 R+) fund will benefit from the easier borrowing in the medium to long term. After several interest rate hikes, the ECB last lowered the deposit rate below 4 per cent again for the first time in June 2024, which has already led to a slight reduction in the borrowing costs of the ICD 12 R+ fund. With the current reduction in interest rates, the cost of new loans is expected to fall further, which will strengthen the fund's earning power in the future.

This measure by the ECB also ensures improved liquidity and market momentum, which improves conditions in the property transaction market. 'We are currently in a phase of bottoming out and do not expect the recent price falls on the property market to continue. However, we do not expect prices to pick up significantly until the medium to long term,' says Gordon Grundler, CEO of Primus Valor.

Accordingly, Primus Valor is strategically utilising the expected developments to benefit from long-term increases in value through further purchases. The fund has already successfully acquired over 35,000 square metres of residential and commercial space and is looking forward to the coming months in order to take advantage of the ongoing favourable entry opportunities.

About Primus Valor:

Primus Valor AG boasts 17 years of experience purchasing, developing, and selling real estate in Germany. The Mannheim-based issuing house is dedicated to offering investors innovative forms of investment in the real estate sector previously reserved for institutional investors. With its "ImmoChance Deutschland" fund series, Primus Valor has so far invested in around 10,000 residential and commercial units in 120 locations throughout Germany. The Primus Valor Group has a total investment volume of some 1.2 billion euros.

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