



PRESS RELEASE

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New ECE European Lodging Recovery Fund invests more than €100m in hotel ensemble in the heart of Venice

- **Strategic investment based on value-add potential**
- **High interest from international hotel brands**

The ECE European Lodging Recovery Fund, a hotel real estate fund that is planned and currently being established by the fund management company ECE Real Estate Partners, has acquired its first seed asset, together with two experienced real estate developers as joint venture partners in this transaction, Soravia and Denkmalneu.

The Bonvecchiati building ensemble is located on Calle Goldoni just 150m from the famous Piazza San Marco in the middle of San Marco, the heart of Venice, on the main pedestrian axis to the Rialto Bridge. Besides the Palace Bonvecchiati, the complex consists of the Hotel Bonvecchiati and the Residenza Bonvecchiati as well as additional retail areas. Located on its own canal with a large restaurant terrace and bridge, it represents the quintessence of Venice. With a total of 191 rooms, a restaurant, bar, spa and two moorings, it is also one of the largest hotel buildings in Venice.

The €100m investment is exemplary of the fund's strategy to invest in excellent locations with a value-add approach. The large property with more than 10,000 m² was acquired directly from the owning families, who had previously also run the business. As part of the investment, planning is now underway for extensive renovation and redevelopment during the early market recovery.

Given its scale and outstanding micro-location, interest from many international brands is already high. In line with its strategy, the fund is pursuing a repositioning in which the extensively renovated hotels will be operationally merged and placed in the hands of an international brand for the first time. The positioning in the high-quality lifestyle segment is intended as a unique selling point in the local market.

Dr. Volker Kraft, Managing Partner of ECE Real Estate Partners, is pleased: "Having acquired a seed asset in such a unique location for our first ECE hotel fund underlines our determination to use all available resources in the ECE Group to repeat the previous successes achieved for our investors in the ECE shopping centre funds now also in the lodging sector. We see very good opportunities for our approach in the hotel real estate market right now."

ECE Real Estate Partners Principal and Head of Hotels, Ascan Kókai adds: "The success of this complex share deal is due to ECE Real Estate Partners' extensive investment expertise and the dedicated efforts of our JV partners. Together with Denkmalneu und Soravia, we will resolutely implement the comprehensive plans for the property. I am thrilled that we are able to continue our capital raise for the fund with such a prime asset."

The Luxembourg-based ECE European Lodging Recovery Fund is targeted at institutional investors such as insurance companies, sovereign-wealth funds, and pension funds. It intends to invest approx. €300 million of equity into select hotel assets with value-add opportunities. The already existing investors are the Family Office of the Otto family and the fund management team.

About ECE Real Estate Partners

ECE Real Estate Partners is licensed as an alternative investment fund manager (AIFM) and, for more than ten years, has been successfully investing equity commitments from international institutional investors such as insurance companies, sovereign-wealth funds, and pension funds in shopping centres with strong market positions and value-add potential.

With more than 5 billion euros of assets under management, ECE Real Estate Partners is Europe's leading institutional fund management company specializing in shopping centres. In addition to the continued expansion of investments in shopping centres, ECE Real Estate Partners is currently expanding its investment approach to hotel properties.

As part of the ECE Group, ECE Real Estate Partners can rely upon the comprehensive network and extensive retail and hotel expertise of the group of companies, which has more than 55 years of experience in the development and operation of shopping centres and, with more than 3,100 realized or planned hotel rooms, is among the top three hotel developers in German-speaking Europe.

The ECE Group offers asset management, project development expertise, investment management, and other full-service real estate services for all asset classes under one roof and manages real estate assets with a total value of more than 33 billion euros. Founded in 1965 by mail-order pioneer Professor Werner Otto (1909–2011), the company is still owned by the Otto family. For more information, please visit www.ecerep.com and www.ece.com

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