



# ANNUAL REPORT 2023

TREI REAL ESTATE





*The key is not to predict the future,  
but to prepare for it.*

**PERICLES**

# 2023

---

## ANNUAL REPORT

TREI REAL ESTATE



CONTENT

8

LETTER FROM  
MANAGEMENT

Key Facts	10
Highlights	11

12

COMPANY

Tengelmann Group	14
Continuity in Times of Crisis	16

18

PORTFOLIO

Portfolio Strategy	20
Acquisitions & Dispositions	22
Completions	24
Residential Projects Germany	26
Residential Projects Poland	32
Residential Projects USA	38
Vendo Parks Poland	44
Interview with Stefan Hackbart, Generalbevoll- mächtigter Volksbank Darmstadt Mainz	46
Retail Portfolio Europe	48



30 | QUARTILLION | WIESBADEN



42 | QUEENS WEDGEWOOD-HOUSTON | NASHVILLE

50

TEAM

Who we are	52
What defines us	53
Team Key Facts	54
15 Years, Three Countries, One Team	56
Spotlight on Employees	58

60

KEY FINANCIAL DATA

Key Financial Data	62
--------------------	----

64

ACKNOWLEDGEMENTS



## LETTER FROM MANAGEMENT

To our fellow stakeholders,

2023 definitely tested the real estate industry. Before the end of 2022, it was already clear that the situation was becoming difficult and it came to a head last year. The real estate development market saw a significant increase in uncertainty and the transaction market came to a near standstill.

Looking back, our company has once again exhibited resilience in the midst of this major crisis. In these challenging times it has become clear that companies must not only operate in periods of economic recovery and under favorable conditions, but must also demonstrate resilience in times of crisis. We were able to hold fast to our original business plan for the year and continued development on all our projects. Last but not least, prudent investments and cautious actions – even in previous years – have prepared us for this crisis. As such, we are now realizing the benefits of a comparatively low leverage ratio and a portfolio which we continuously fine-tune and which provides us with positive cash flow.

In 2023, we completed two of our residential developments. In the US, we finalized and sold “Atlantic Beach House” in Charleston (SC). “Lotsenhof” in Mainz Zollhafen was also finished at the end of the year before ownership was transferred to the buyer in January 2024. We were also able to start construction on three new large residential projects and therefore 1,080 additional apartments, secure three new properties, open six new Vendo Parks and secure new financing totaling €194 million despite the difficult market environment.

The current year will continue to present major challenges because many of the factors that will determine the year are difficult to predict. However, we see an increasing demand for living space, especially on the rental markets in our core countries, and the exceptional stability of local retail as a good catalyst for the continuity of our portfolio.

In 2024, we will continue to pursue our path. And with our willingness to regularly review our business model and, when necessary, adapt our strategy, we are convinced that we can continue to manage Trei stably even under difficult conditions. And now it is time to form an impression for yourself.

We hope you will find this an interesting and stimulating report.

Pepijn Morshuis  
CEO

Matthias Schultz  
CFO



## KEY FACTS

**€2.0**

billion development  
pipeline

**€213**

million investment  
volume

**34.1%**

leverage (LTV)

**€80**

million rental  
revenue

**€194**

million in new  
credit facilities

**€1.3**

billion real estate  
portfolio

**MORE THAN  
170**

employees

**6,100**

residential units  
planned (approx.)

## HIGHLIGHTS



Start of construction for the following projects: "Alta Ivy" in Cary, North Carolina, "Atlantic Nowell Creek" in Charleston, South Carolina, and our first residential rental project in Poznań "UP2U"



Completion of six Vendo Parks and securing two additional properties



Start of leasing at the "Fischerhof" in Mainz Zollhafen, "The Note" in Jacksonville, Florida, and "Ello House" in Charlotte, North Carolina



Sale of all condominium units in Łódź ("Osiedle KRAFT") and in Wrocław ("Bacciarellego 54")



Securing an additional property in Łódź ("Osiedle BLASK") to develop condominiums



Sale of our "Atlantic Beach House" project in Charleston, South Carolina



Securing a flexible credit line from Volksbank Darmstadt Mainz with a volume of €43 million



Completion of a cross-border financing for 61 Biedronka stores totaling €73.5 million



Once again awarded "Retail Developer of the Year" and recognized as the leading real estate provider in the residential sector in Wrocław, as well as receiving four other awards



Sale of the portfolio in the Czech Republic and Slovakia with 71 properties



Celebration of Trei's 15th anniversary attended by all Trei employees internationally



# COMPANY



# TENGELMANN GROUP

## WE ARE PART OF THE TENGELMANN GROUP

The Tengelmänn Group is a family-owned Munich-based holding company that has existed since 1867. The company sees itself as an active entrepreneurial family investor and currently has investments in more than 50 companies in Europe and North America. The diverse investment portfolio includes large retail enterprises such as OBI and KiK, but its holdings also include Trei Real Estate (real estate), Tengelmänn Energie (energy consulting), Tengelmänn Assekuranz (insurance) and Tengelmänn Audit. Its subsidiaries Emil Capital Partners (Greenwich, USA), Tengelmänn Ventures (Munich) and Tengelmänn Growth Partners (Munich) invest in start-ups and mature companies alike in both Europe and North America.

[www.tengelmänn21.com](http://www.tengelmänn21.com)



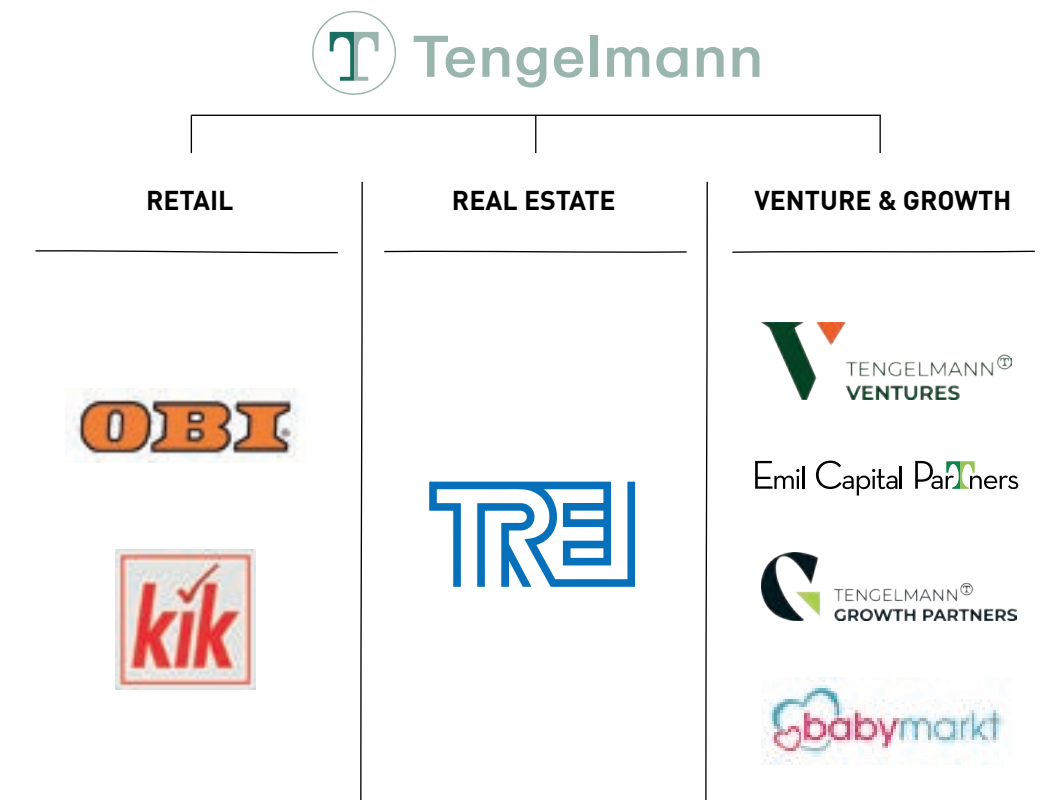
»» The real estate business was, is and remains one of the constants of our corporate strategy, which is based on sustainable, positive development. This corresponds to the long-term thinking that has characterized our family business for more than 150 years.

*Christian Haub*

**CHRISTIAN HAUB**  
CEO, Tengelmänn Group

## REAL ESTATE AS AN ANCHOR OF STABILITY IN THE TENGELMANN GROUP

The Tengelmänn Group is divided into three business areas:  
Retail, Real Estate and Venture & Growth.



## FINE-TUNING THE REAL ESTATE PORTFOLIO AND OPENING UP NEW MARKETS

At the beginning of 2023, Trei sold its entire real estate portfolio in Portugal, the Czech Republic and Slovakia in order to further build up and expand its real estate development activities in the core countries of Germany, Poland, and the US.

In 2023, Trei retained its focus on the residential real estate market in both Poland and the Southeast US. With its first development of rental apartments underway, Trei is tapping into a promising growth market in Poland and is planning additional developments in this segment in the future.





## CONTINUITY IN TIMES OF CRISIS

In the history of the real estate industry, 2023 will go down as a crisis year. Indications of difficulties ahead were already beginning to emerge in the prior year. Over the course of 2022, interest rates in both Europe and the US were increased dramatically over a historically short period of time. As a result, there was a significant increase in uncertainty in the real estate market and the transaction market came to a near standstill. The real estate boom, which had lasted more than ten years, came to an abrupt end.

In the first quarter of 2023, the trend in real estate valuations turned negative for the first time since the beginning of 2010. In other words, after increasing for twelve years, prices began to fall. Two more quarters of falling real estate prices followed.

The crisis reached its first climax in the summer and autumn: numerous project developers, especially in Germany and Poland, were no longer able to meet their payment obligations and had to file for bankruptcy. It affected small and medium-sized project developers, but some large market players as well. In the US, on the other hand, the consequences for developers were not as severe. Among other things, this was attributable to the fact that prices had not risen as sharply before the crisis as they had in Germany. As a result, many developers were able to extend existing debt financing despite the new interest rate environment.

This shows us: companies not only have to function during good times and favorable conditions, but they also have to be prepared for times of crisis. However, for us, crisis resilience and preparedness have always been an important prerequisite and top priority – not least of all because we are part of a 100% family-run group of companies that fundamentally thinks in the long term. On the one hand, we achieve this through prudent investments and actions. One example is that as a developer, we have a relatively low leverage ratio. But that alone is not enough for us to rest on our laurels. We regularly review the resilience of our business model and are not afraid to continually adjust our overall strategy.

## DIVERSIFICATION ACROSS TWO PILLARS: PROJECT DEVELOPMENT AND ASSET MANAGEMENT

One way to increase our resilience to crises and ensure the continuity of our business activities is through diversification. For many years, Trei Real Estate's business model has been based on two pillars – project development and asset management of our own long-term portfolio as well as for third parties.

Our project development pipeline accounts for €2.0 billion and our assets under management account for €1.3 billion. Our existing portfolio is well leased to top tenants – both grocery and sellers of essential goods – and provides a stable and reliable cash flow, even in difficult times. As a result, asset management provides a solid base for the more unpredictable project development business and contributes to the financing of our development activities.

On top of this, we have diversified our business internationally, which helps us spread risk. Since the sale of our subsidiaries in Portugal, the Czech Republic and Slovakia at the beginning of 2023, we have been operating in our three core countries: Germany, Poland and the US. We develop residential properties in all three countries. We also hold retail properties in Germany and Poland and develop retail parks in the latter. While Germany primarily stands for stability, the US offers faster growth and greater opportunities. The first two sales of residential properties we developed in the US showed us in a very impressive way how true this concept is. And we also see great opportunities in Poland, one of the most dynamic countries in Europe. Accordingly, acting on opportunities that arise represents continuity for us. In Poland, there is an enormous backlog of demand for modern rental apartments; a market which is very much still in its infancy. With our first residential rental project of around 460 rental apartments under construction and a second under development, we entered a promising new territory in 2023. At the same time, there is still great potential in retail in Poland, especially in medium-sized and smaller cities. We have been meeting this demand since 2013 with our Vendo Park retail parks.



POZNAŃ | PIĄTKOWSKA | UP2U

## CONSERVATIVE DEBT FINANCING STRATEGY IS A CRUCIAL PILLAR

One of the most important pillars of our strategy to achieve resilience is conservative debt-financing. As a wholly-owned subsidiary of the Tengelmann Group, an equity-strong family business, Trei Real Estate is not as dependent on debt as some other project developers. At the end of the year, our leverage ratio was only 34.1 percent. This low ratio also protected us from the negative effects of the interest rate hikes and difficulties obtaining refinancing, which proved to be the downfall of some project developers. And it allows us to quickly adapt to changing market conditions and overcome unforeseen challenges.

Despite the sometimes-severe effects of the crisis, we continued on and were able to implement our 2023 strategy in all three countries as planned. Due to a full pipeline, we expect that we will be able to continue our business as planned in 2024.

The crisis will result in a market shakeout – especially among project developers. We also see this as an opportunity. It is therefore our aim to further expand our business activities in 2024: Here we plan to open ourselves even further to collaboration with partners and institutional investors. In the US, we have been forming joint ventures with experienced development partners since 2018. In Europe, we have been working with Patron Capital Partners since 2021 – an institutional investor from the United Kingdom, with whom we formed a joint venture to develop Vendo Parks in Poland. We also entered into a partnership with KINGSTONE Real Estate in mid-2023 to develop rental apartments in Poland. We are open to additional partners from the institutional sector and will continue to examine potential partnerships in 2024.

The bottom line is that we are confident about 2024. Many of the factors that will ultimately define the year are difficult to predict – such as the further course of the war in Ukraine, the development of energy prices or the further development of interest rates. Nevertheless, we are convinced that Trei Real Estate is securely positioned for the future in order to navigate even the difficult waters we may encounter in the coming years.



# PORTFOLIO



port.o.  
prenz



# PORTFOLIO STRATEGY

As developers and asset managers, we plan, develop, manage and sell tailor-made and sustainable properties in the residential and commercial sectors – thereby creating living spaces where people meet and live together.

As a wholly owned subsidiary of the Tengelmann Group, our goal is to create a long-term, attractive, sustainable real estate portfolio that forms a stable pillar within the Group and provides a dependable and sustained cash flow. With the disposition of our entire portfolio in Portugal, the Czech Republic and Slovakia, we have significantly sharpened our strategic focus and Trei’s profile as a project developer. Going forward, we will concentrate on residential development projects in our three core markets – Germany, Poland and the US – as well as on the expansion of our retail parks under the “Vendo Park” brand in Poland, which are entirely developed by us in-house.

In the area of residential real estate, we operate in high growth markets, such as Poland and the US, which both offer a lot potential for forming joint ventures with external capital partners. Our German development pipeline is also suitable for working with joint venture partners. We partnered with UK investor Patron Capital Partners for our retail parks in Poland and now see this strategy as a good way to develop our residential pipeline.

## RETAIL

Our retail portfolio currently includes 191 properties in Germany and Poland. Our largest tenants include renowned international retail brands such as Aldi, Lidl, Kaufland, Edeka, Rewe and Biedronka. As part of the ongoing finetuning of our portfolio, we sold our entire retail portfolio of 49 properties in Portugal at the end of 2022, followed by the sale of our of 60 supermarket properties in the Czech Republic and 10 Vendo Parks in the Czech Republic and Slovakia in the first quarter of 2023.

At the end of 2023, our portfolio will comprise a total of 38 fully leased Vendo Parks in Poland, including four that were developed as part of a joint venture with the British investor Patron Capital Partners. This means we are getting even closer to our goal of 40 Vendo Parks in our own portfolio – but the potential for further development is there, so we will continue to expand our business by working with joint venture partners. In total, there are 14 additional Vendo Park developments in the pipeline.

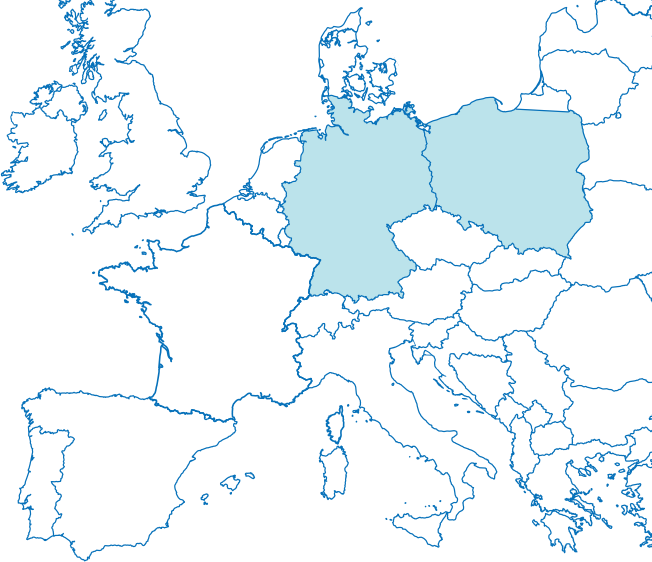
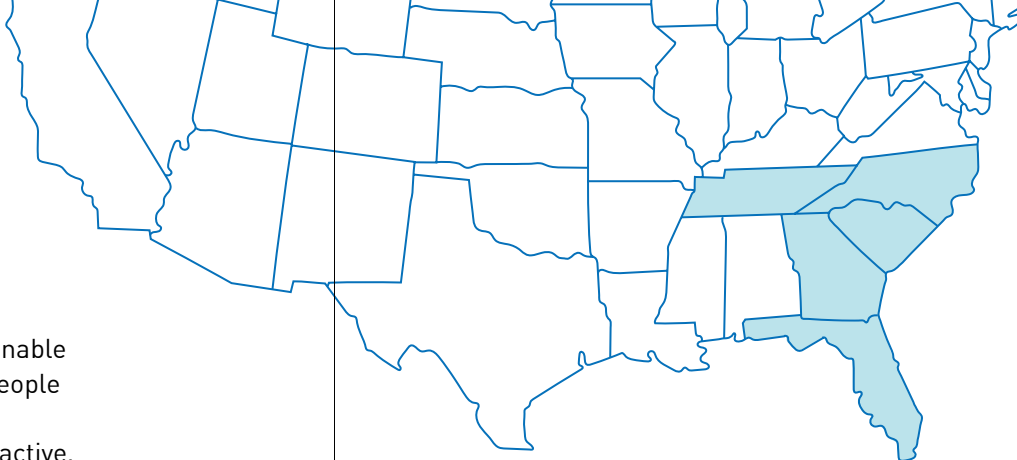
## RESIDENTIAL

We are currently developing around 6,100 residential units in our core countries Germany, Poland and the USA.

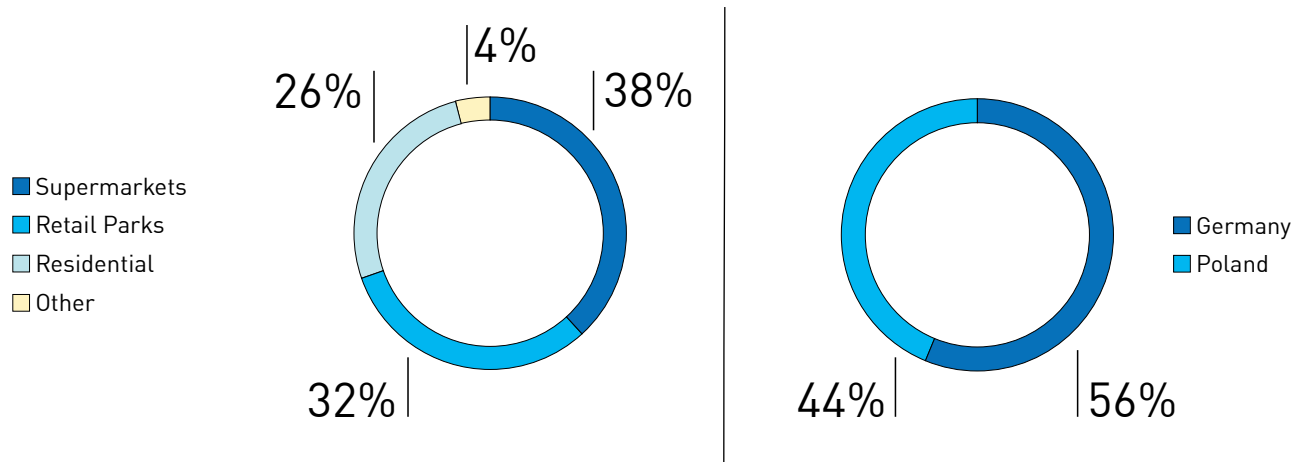
Our residential properties developed in Germany are located in prime locations, in attractive growth regions. Given the scope of our German development pipeline, we could well imagine selling some developments in the future, as well as developing some projects in joint ventures with external capital partners in order to accelerate implementation of the pipeline.

In Poland, we are continuing to pursue our strategy of developing rental units in metropolitan regions, which are in high demand, alongside condominiums. The Polish rental residential sector is still relatively small, but over the long-term, supply has continued to fall short of demand, promising great potential for further development.

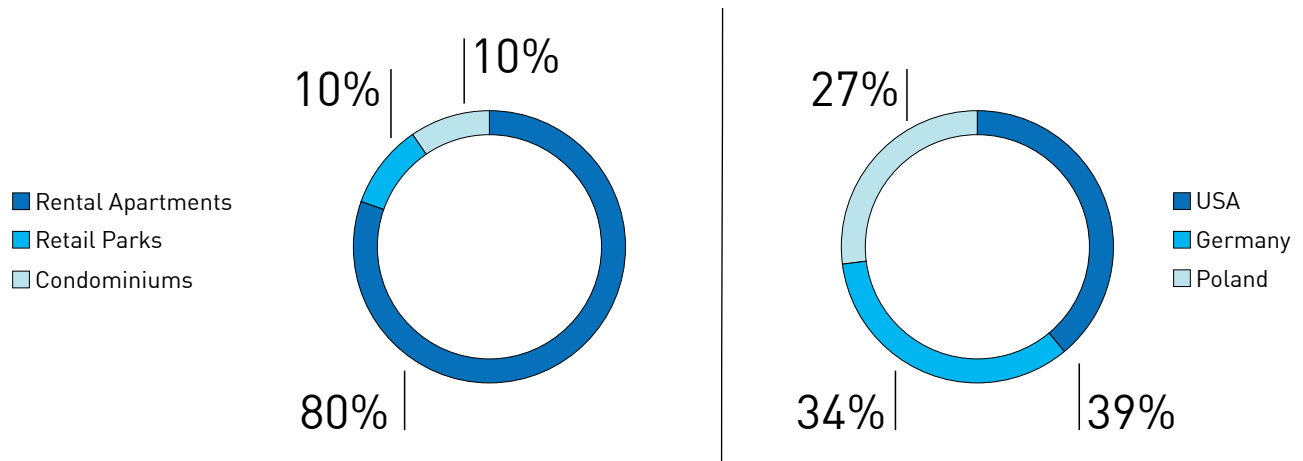
In the US, we develop multi-family projects with local, experienced joint venture partners in the growing metro regions in the Southeast – North Carolina, South Carolina, Georgia, Tennessee and Florida. These multi-family communities have a wide range of amenities, such as swimming pools, fitness centers and indoor and outdoor community areas which is typical for the US market.



CURRENT PORTFOLIO  
€1.3 bn.



DEVELOPMENT PIPELINE  
€2.0 bn.



ACQUISITIONS  
& DISPOSITIONS

3

SITES ACQUIRED

2 SITES FOR  
VENDO PARKS IN  
POLAND

1 SITE FOR A  
RESIDENTIAL PROJECT  
IN POLAND

131,000 SQM  
LAND AREA  
(APPROX.)

54,000 SQM PLANNED  
GROSS FLOOR AREA  
(APPROX.)



ŁÓDŹ | PL  
OSIEDLE BLASK



ŚRODA ŚLĄSKA | PL  
VENDO PARK



KĘDZIERZYN KOŹLE | PL  
VENDO PARK

125

PROPERTIES SOLD

220,000 SQM RENTAL  
AREA (APPROX.)

168  
CONDOMINIUMS SOLD

10,800 SQM RESIDENTIAL  
AREA (APPROX.)



CHARLESTON | USA  
ATLANTIC BEACH HOUSE



STARNBERG | DE  
EDEKA



PORTFOLIO SALE | PT



WROCŁAW | PL  
BACCIARELLEGO 54  
(3RD CONSTRUCTION PHASE)



ŁÓDŹ | PL  
OSIEDLE KRAFT  
(2ND CONSTRUCTION PHASE)



PORTFOLIO SALE | CZ AND SK



COMPLETIONS

2

RESIDENTIAL PROJECTS  
COMPLETED

319

apartments total

26,100

sqm residential  
area (approx.)



MAINZ | DE  
LOTSENHOF



CHARLESTON | USA  
ATLANTIC BEACH HOUSE

6

VENDO PARKS  
COMPLETED

29,800

sqm rental area  
(approx.)



ZAMBRÓW | PL  
VENDO PARK



LUBIN | PL  
VENDO PARK



ŁAPY | PL  
VENDO PARK



KRAKÓW | PL  
VENDO PARK



KONIN | PL  
VENDO PARK



GORZÓW WIELKOPOLSKI | PL  
VENDO PARK



15TH CEE RETAIL  
AWARDS 2023  
Retail Park  
Developer  
Trei Real Estate  
Poland

15TH CEE RETAIL  
AWARDS 2023  
Retail Project  
Vendo Park  
Otwock

13TH CEE  
INVESTMENT  
AWARDS 2023  
Retail Project  
Vendo Park  
Zambrów

PRCH RETAIL  
AWARDS 2023  
New Retail  
Park 2023  
Vendo Park  
Otwock

EUROBUILD  
AWARD 2023  
Retail Developer  
of the Year  
Trei Real Estate

LIDER  
NIERUCHOMOŚCI  
OTODOM 2022  
Rynek Wrocławski  
Trei Real Estate  
Poland

# OUR RESIDENTIAL PROJECTS

IN GERMANY



12

projects

670

€ million pipeline volume

1,400

apartments (approx.)

## PROJECTS

- completed
- under construction / development

## LIVING IN AN URBAN ATMOSPHERE

Our 12 residential projects in Germany are currently at various stages of planning and development, but they all have one thing in common: they are located in desirable locations in top regions. In total, we currently have around 1,400 residential units under development in order to create attractive living spaces in urban locations. One focus of our developments is increased density in urban environments: in places where single-story supermarkets previously stood, we are creating new living space in inner-city locations through mixed-use redevelopment. Our development pipeline has a volume of around €670 million.

At the end of 2023, we completed our “Lotsenhof” project in Mainz Zollhafen with 95 modern, light-filled rental apartments in a waterfront location sitting directly on the Rhine River. The property was sold in mid-2022 to an institutional investor and structured as a forward sale. At the same time, the “Fischerhof” with 88 rental apartments is being built on an adjacent site in Mainz Zollhafen, with completion scheduled for the first quarter of 2024. In Wiesbaden, in October 2023, we received a building permit for a student housing project with 182 modern, single-occupant apartments located on Dotzheimer Straße. A new Netto discount supermarket will lease the retail space on the ground floor. Looking to our German development pipeline, we see potential in working with external capital partners, in joint venture structures, to accelerate the implementation of this pipeline.



[www.treirealestate.com/en/projects](https://www.treirealestate.com/en/projects)



# FISCHERHOF

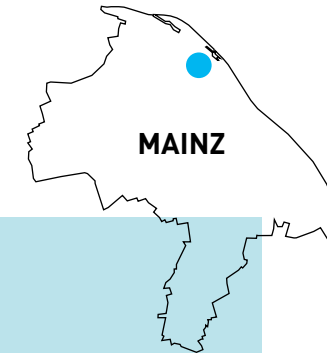
RENTAL APARTMENTS MAINZ



*Despite the challenges posed by the pandemic and the war in Ukraine, we were able to move forward with the construction of Fischerhof, so that it is now nearing completion after a little more than two years. It is a great residential project. This can also be seen in the positive response from the market as well as the high level of interest from potential tenants.*

*Thorsten Holländer*

Thorsten Holländer  
Senior Construction Manager, Trei Real Estate



In a unique location in the middle of Mainz, in Mainz Zollhafen, which sits directly along the Rhine River, a future urban district is coming to life. On this site, we are developing the “Fischerhof” encompassing 88 high-quality rental apartments. Of particular note: man-made canals will enclose the project on three sides, highlighting the feeling of living on the water, close to nature. From studio to family-sized apartments with 3+ bedrooms, including accessible apartments, the “Fischerhof” offers a comfortable home that can be adapted to the requirements of any living situation – ideal for singles, couples or families.

The location offers all the advantages of urban living: a wide range of shopping, dining and leisure options as well as a colorful art and cultural program. The city center with its “Römerpassage” can be reached via a pedestrian and cycle path directly along the Rhine. The nearby park at Goetheplatz with its green areas and playgrounds offers an opportunity for relaxation.



[www.treirealestate.com/en/projects/mainz-zollhafen-fischerhof](https://www.treirealestate.com/en/projects/mainz-zollhafen-fischerhof)

**FISCHERHOF**  
ZOLLHAFEN MAINZ

**6,500**

sqm residential area  
(approx.)

**88**

apartments

**40**

€ million total project  
cost (approx.)

**2021**

start of construction

**2024**

completion

## ARCHITECT

HPP Architekten GmbH, Düsseldorf

## GENERAL CONTRACTOR

MBN GmbH





*Modern retail meets student living. The Quartillion is a successful architectural example of increasing living space in urban areas: no reduction in existing green space for new construction, green roofs and no above-ground parking spaces in the cityscape.*

*Tobias Bender*

Tobias Bender  
Managing Director, IHT Planungsgesellschaft



## QUARTILLION

### STUDENT HOUSING WIESBADEN

We are developing 182 student apartments in Hesse's capital city, Wiesbaden. All units will be fully furnished and equipped with a kitchenette and a bathroom. There will also be a common room, a study room, a laundry bar with washing machines and dryers as well as a roof top terrace. The RheinMain University campus is within walking distance and opportunities for shopping are also available nearby: a new Netto discount supermarket is being built on the ground floor. Construction started in the first quarter of 2024.

In the future, the apartments will be operated under the "Quartillion" brand and will be offered with numerous services at an all-inclusive rental price. This makes the "Quartillion" in Wiesbaden our second project under this brand. The first "Quartillion" was completed in Cologne.



[www.treirealestate.com/en/projects/wiesbaden-dotzheimer-strasse-162](http://www.treirealestate.com/en/projects/wiesbaden-dotzheimer-strasse-162)

**3,900**  
sqm residential area  
(approx.)

**1,600**  
sqm commercial  
space (approx.)

**182**  
apartments

**33**  
€ million total project  
cost (approx.)

**2024**  
start of construction

**2026**  
completion

**ARCHITECT**  
IHT Planungsgesellschaft mbH



# OUR RESIDENTIAL PROJECTS

IN POLAND



8  
projects

330  
€ million pipeline  
volume

2,500  
apartments  
(approx.)

## PROJECTS

- completed
- under construction / development

## HOUSING MARKET ON A GROWTH COURSE

The need for contemporary, high-quality living in urban locations continued uninterrupted in 2023. Particularly for rental units, there is a large unmet demand. Representing only one percent of the total housing market so far, rental units have yet to play a significant role, but supply simply cannot keep up with demand, especially in large cities.

To meet the high demand for residential units, we plan to expand our supply of residential housing – both owned and rented apartments. We are currently developing a total of around 2,500 residential units in Poland, of which around 1,050 will be rental apartments.

In October 2023 we received a building permit for our first multi-family project in Poznań. A total of 460 residential units are being built on this site near the city center. In Łódź we sold all of the units in our “Osiedle KRAFT” condominium project. The high level of interest confirmed that we will expand our investment in this area in the future. At the beginning of 2023, we acquired another property in the city and will develop 214 condominiums on Smugowa Street. In Wrocław, another of our now eight residential projects, “Bacciarrellego 54”, will be nearing completion at the end of the year. All 276 condominium units are completely sold out.

The Polish housing market remains very attractive for us as developers. With respect to multi-family units, we are already preparing a second project: we plan to develop around 590 rental apartments in Warszawa.



[www.treirealestate.com/en/projects](http://www.treirealestate.com/en/projects)

# UP2U

RENTAL APARTMENTS POZNAŃ



*UP2U is being built using innovative modular technology. The use of our prefabricated components shortens construction time and significantly increases the efficiency of the entire construction process and its sustainability. At the same time, it is an economically attractive alternative to traditional construction methods.*

*Robert Jędrzejowski*

Robert Jędrzejowski  
CEO, Pekabex



In the north of Poznań, our first multi-family project named "UP2U" with a total of 460 apartments is being built in the Winiary district in the immediate vicinity of the city center. Construction started in the fourth quarter of 2023. All apartments will be fully furnished and equipped with modern kitchens and bathrooms. A new modern discount grocery store, rented to Biedronka, is right outside the door. Poznań is located in western Poland in the Wielkopolska Voivodeship and is Poland's fifth largest city with a population of around 530,000 residents. It is known for its universities and its old town with Renaissance-style buildings. The city center can be reached easily by car, Poznań Fast Tram or bus. And the adjacent Cytadela Park and the wide range of cultural and leisure activities make "UP2U" an attractive place to live.



[www.treirealestate.com/en/projects/poznan-piatkowska](https://www.treirealestate.com/en/projects/poznan-piatkowska)



## 19,300

sqm residential area  
(approx.)

## 875

sqm commercial  
space (approx.)

## 460

apartments

## 51

€ million total project  
cost (approx.)

## 2023

start of construction

## 2026

completion

**ARCHITECT**

LITOBORSKI + MARCINIAK Biuro  
Architektoniczne Sp. z o. o.





OSIEDLE  
**BLASK**



*Łódź is an attractive place to live due to its central location in Poland, the region's strong economic growth as well as a large number of infrastructure and social investments. For us, it is the ideal location to create living space in the city where we have a second residential project development.*

*Mariusz Cegielski*

Mariusz Cegielski  
Head of Residential Development,  
Trei Real Estate Poland



## OSIEDLE BLASK

### CONDOMINIUMS ŁÓDŹ

In Łódź, in the center of Poland, we are developing "Osiedle BLASK", our second condominium project in the city following "Osiedle KRAFT". Directly adjacent to the city center and surrounded by parks, 214 condominiums are being built in the Bałuty district. The modern architecture of the property, based on the historical character of the district, will fit seamlessly into the surrounding area. Sales of the units began in the fourth quarter of 2023. Bałuty is known as a green district and is home to, among other things, the popular Helenów Park. Public transport as well as motorways, expressways and the newly built ring road can be reached quickly and speak to the sites' central location. Universities, schools and kindergartens are in the immediate vicinity, as is the "Manufaktura" shopping center with its wide range of shops, restaurants as well as museums, cinema and theater.



[www.treirealestate.com/en/projects/lodz-smugowa](http://www.treirealestate.com/en/projects/lodz-smugowa)

# 12,300

sqm residential area  
(approx.)

# 214

apartments

# 25

€ million total project  
cost (approx.)

# 2024

start of construction

# 2027

completion

### ARCHITECT

Neoprojekt Wojciech Netzel

# OUR RESIDENTIAL PROJECTS

IN USA



7

projects

800

€ million pipeline volume

2,200

apartments (approx.)

## PROJECTS

- completed
- under construction / development

### CONSTRUCTION BOOM IN THE DYNAMIC AND FAST-GROWING SOUTHEAST

At the end of 2023, five of our residential projects in the USA were under construction and two were in the planning stage, and one project was sold. We are focused on multi-family projects in the growing metropolitan areas in the Southeast, where we are working with experienced local partners.

At the end of 2022, we completed our second US development “Atlantic Beach House” in Charleston, South Carolina and sold it in the first quarter of 2023. In addition, construction of two additional projects started in 2023. Our “Atlantic Nowell Creek” project, with 320 rental apartments, is also located in Charleston. In North Carolina, construction started on our “Alta Ivy” project with 290 rental apartments in Cary. Three additional residential projects were in different phases of development at the end of 2023, including “The Note” in Jacksonville, Florida, “Ello House” in Charlotte, North Carolina, as well as “Queens Wedgewood-Houston” in Nashville, Tennessee, which was completed in early 2024.

The multi-family market in the US remains interesting for us as developers. In the US, home ownership is common; however, rising purchase prices are driving demand for multi-family units. Cities like Jacksonville, Charleston and Cary have a high standard of living, but are still relatively affordable. The Southeast region had the highest transaction volume and total returns in the US multi-family housing market last year.

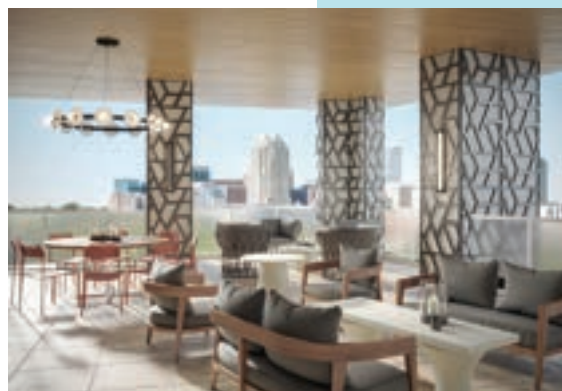


[www.treirealestate.com/en/projects](https://www.treirealestate.com/en/projects)



# ELLO HOUSE

RENTAL APARTMENTS CHARLOTTE



*Ello House is one of five projects that we are implementing in close collaboration with Trei Real Estate – we have a long-standing partnership that is characterized by trust, shared values and the goal of creating exceptional living experiences.*

*Stuart Proffitt*

Stuart Proffitt  
Founding Partner, Proffitt Dixon Partners



## 25,900

sqm residential area  
(approx.)

## 343

apartments

## 89

€ million total project  
cost (approx.)

## 2021

start of construction

## 2024

completion

### ARCHITECT

Axiom Architecture

### JOINT VENTURE PARTNER

Proffitt Dixon Partners

### HIGHLIGHTS

club lounge,  
saltwater swimming pool,  
fitness center, dog spa

In Charlotte, North Carolina, “Ello House”, our second multi-family development in the Queen City, is located in the Lower South End (LoSo) neighborhood. In addition to a total of 343 spacious rental apartments, residents also have many amenities at their disposal, as is market standard in the US: a club room with a lounge for shared meetings, a saltwater swimming pool and a fitness center among others. LoSo, south of Uptown Charlotte, has an energy all its own. An industrial-chic atmosphere coupled with a rich history makes LoSo a destination for those seeking the perfect balance between work and play. A diverse range of leisure, culinary and shopping opportunities are just a few steps away. Interstate I-77 is in the immediate vicinity and a convenient connection via light rail means you can quickly reach Uptown Charlotte in no time.



[www.treirealestate.com/en/projects/charlotte-losos-village-north-carolina](http://www.treirealestate.com/en/projects/charlotte-losos-village-north-carolina)

ello  
HOUSE



*Queens Wedgewood-Houston is constructed primarily of wood. In the US, wood framing is a popular choice in construction for many reasons – it's a renewable and also available resource; it's highly customizable providing design flexibility; and, in the US, more cost effective than alternatives such as concrete or steel.*

*Chris Helsabeck*

Chris Helsabeck  
Managing Director, Trei Real Estate USA



## QUEENS WEDGE- WOOD-HOUSTON

### RENTAL APARTMENTS NASHVILLE

Our multi-family project “Queens Wedgewood-Houston” is located in Nashville, Tennessee. A total of 220 rental apartments are spread over four floors in three buildings. The project offers its residents numerous on-site amenities such as a restaurant, a saltwater swimming pool and a fitness center. There is also a club room with a lounge on the top floor and access to the roof terrace with a cocktail bar. The project was completed in the first quarter of 2024. The up-and-coming Wedgewood-Houston neighborhood has developed into a popular area for young and creative people in recent years. In particular, the thriving art scene, craft distilleries and bars make Wedgewood-Houston a popular place in the “Music City”. Located right on the edge of the city center, it offers good access to Interstate I-65 and, last but not least, to Broadway with its vibrant nightlife.



[www.treirealestate.com/en/projects/nashville-queens-wedgewood-houston-tennessee](http://www.treirealestate.com/en/projects/nashville-queens-wedgewood-houston-tennessee)

**16,100**  
sqm residential area  
(approx.)

**220**  
apartments

**58**  
€ million total project  
cost (approx.)

**2021**  
start of construction

**2024**  
completion

#### ARCHITECT

Manuel Zeitlin Architects  
and EOA Architects

#### JOINT VENTURE PARTNER

Proffitt Dixon Partners

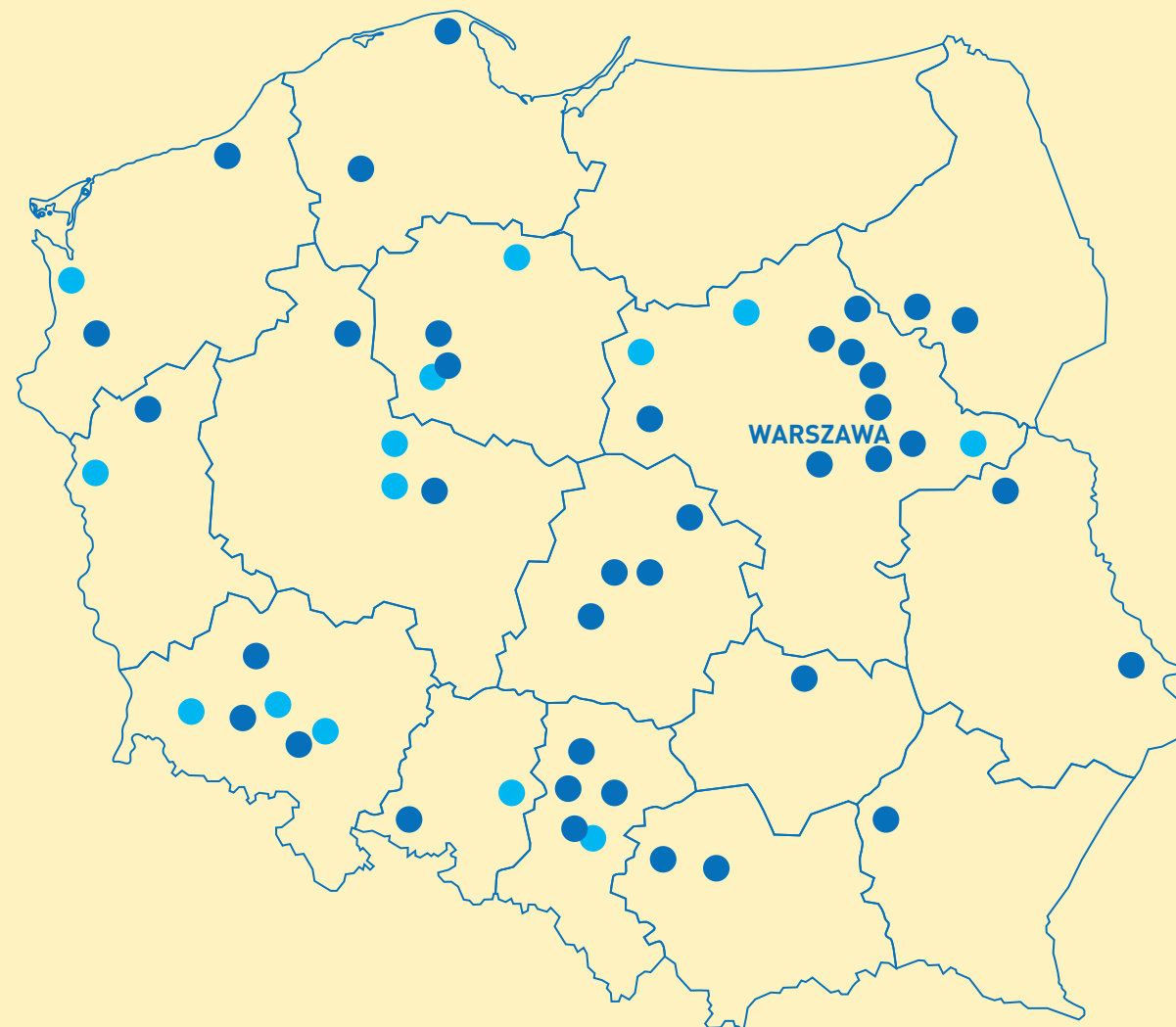
#### HIGHLIGHTS

restaurant, club lounge, saltwater  
swimming pool, fitness center,  
rooftop terrace, co-working spaces



## OUR VENDO PARKS

IN POLAND



# 52

projects

# 530

€ million pipeline  
volume

# 324,000

sqm gross leasing  
area (appox.)

### PROJECTS

- completed
- under construction /  
development



### CONVENIENT SHOPPING FOR EVERYONE

We develop, build and rent retail centers in Poland under the Vendo Park brand. 2023 marked a milestone in our company history: the Vendo Park concept celebrated its tenth anniversary. In total, we opened six new locations and operated a portfolio of 38 fully leased Vendo Parks as of the end of 2023. At the beginning of the year, our portfolio included ten additional retail centers in the Czech Republic and Slovakia, which were all sold as part of a complete portfolio sale in both countries.

As was the case ten years ago, our Vendo Parks continue to meet today's consumer needs for convenient and quick shopping. Particularly in smaller cities where they supply essential goods to local residents – which is how they keep up with the competition from online shopping and prove themselves to be resilient even in times of crisis. Our tenants benefit from efficient cost structures, and our customers benefit from a selected mix of offerings for their daily needs.

The Polish market for retail and local shopping centers continues to offer growth opportunities that far exceed our goal of developing 40 Vendo Parks in Poland for our own portfolio. As a result, we see potential to realize further developments through joint venture structures. To that end, in 2023, we opened another Vendo Park with UK-based investor Patron Capital Partners and have an additional six in the pipeline with Patron. In total, our goal is to open five new Vendo Parks in 2024.



[www.vendo-park.com](http://www.vendo-park.com)



## INTERVIEW

**WITH STEFAN HACKBART**  
GENERALBEVOLLMÄCHTIGTER  
VOLKSBANK DARMSTADT MAINZ eG

**Stefan Hackbart, Generalbevollmächtigter at Volksbank Darmstadt Mainz eG, has been working in the lending business of regional banks for over 20 years. At Volksbank Darmstadt Mainz, he is responsible, among other things, for managing the relationship with investors and project developers, consulting on subsidy programs as well as the loan syndication business. The bank has also partnered with Trei, for example, in the development of our residential projects in the Mainz Zollhafen and our student housing project in Wiesbaden.**

**The mood among real estate financiers is not good. The real estate industry – especially project developers – is in crisis. Do you expect the environment to be more friendly in 2024?**

We continue to observe great interest in real estate among investors and owner-occupiers, especially in the residential segment. However, as a result of the large number of interest rate increases the European Central Bank (ECB) has made since 2022, real estate financing has become significantly more expensive, which, along with high construction costs, is a key reason for the very challenging situation we currently see in the real estate market. There have been encouraging developments in the last few weeks, as significant interest rate cuts by the ECB are anticipated. Experts agree that this will have a positive impact on the real estate market and the development of new real estate projects in 2024. In the medium term, it remains to be seen to what extent interest rates on long-term loans will settle at a lower level. Therefore, the latest interest rate expectations make me optimistic that the market will take a positive turn this year, even if not at the same pace of growth as in previous years.

**In your opinion, what are the biggest challenges for real estate developers in the future?**

Real estate developers have to adapt their product to accommodate high interest rates, increased construction costs and changing demand. Due to high prices, families, for example, tend to opt for smaller, affordable apartments with an optimal floor plan. Of course, ESG aspects also play a crucial role and present not only challenges, but also many opportunities.

**What opportunities do you see in this regard?**

There is greater demand for new buildings that have an improved CO<sub>2</sub> balance or greater accessibility compared to existing buildings. There are opportunities in existing properties to bring them into a new era through targeted renovations. For example, energy consumption can be optimized and additional costs can be reduced, making the properties more attractive for potential users and investors.

**In your opinion, which developers can best use these challenges as opportunities?**

Developers who design their product to meet high demand. We see demand as a given in the housing market, but developers still have to ask themselves: who are our future tenants and does our product fit their needs? If you focus on your future users and recognize their requirements, whether that is, complete accessibility or specific apartment sizes, for example, you can develop viable real estate concepts for the future. In the current market environment, it is not only the view of the future user that is crucial, but also how developers have managed their business in the past. Developers who retained profits during the last few years of the real estate boom are more likely to have financial resources for new projects. Trei Real Estate is a developer that continues to build even in the current market and to develop new projects.

**You just mentioned the housing market. How do you assess further developments in Germany, especially on the rental market?**

There is no question that the demand for rental apartments will continue to increase, especially in metropolitan areas. Rental prices will probably continue to rise, as they depend on several factors: high demand, high land and construction prices, and financing costs. I am convinced that residential real estate will remain an attractive asset class in the future, also because it offers a certain level of protection against inflation. At a time when very few building permits are granted, we need successful and professional developers like Trei who implement long-term real estate concepts in an ESG context in order to meet the housing needs of today and tomorrow.

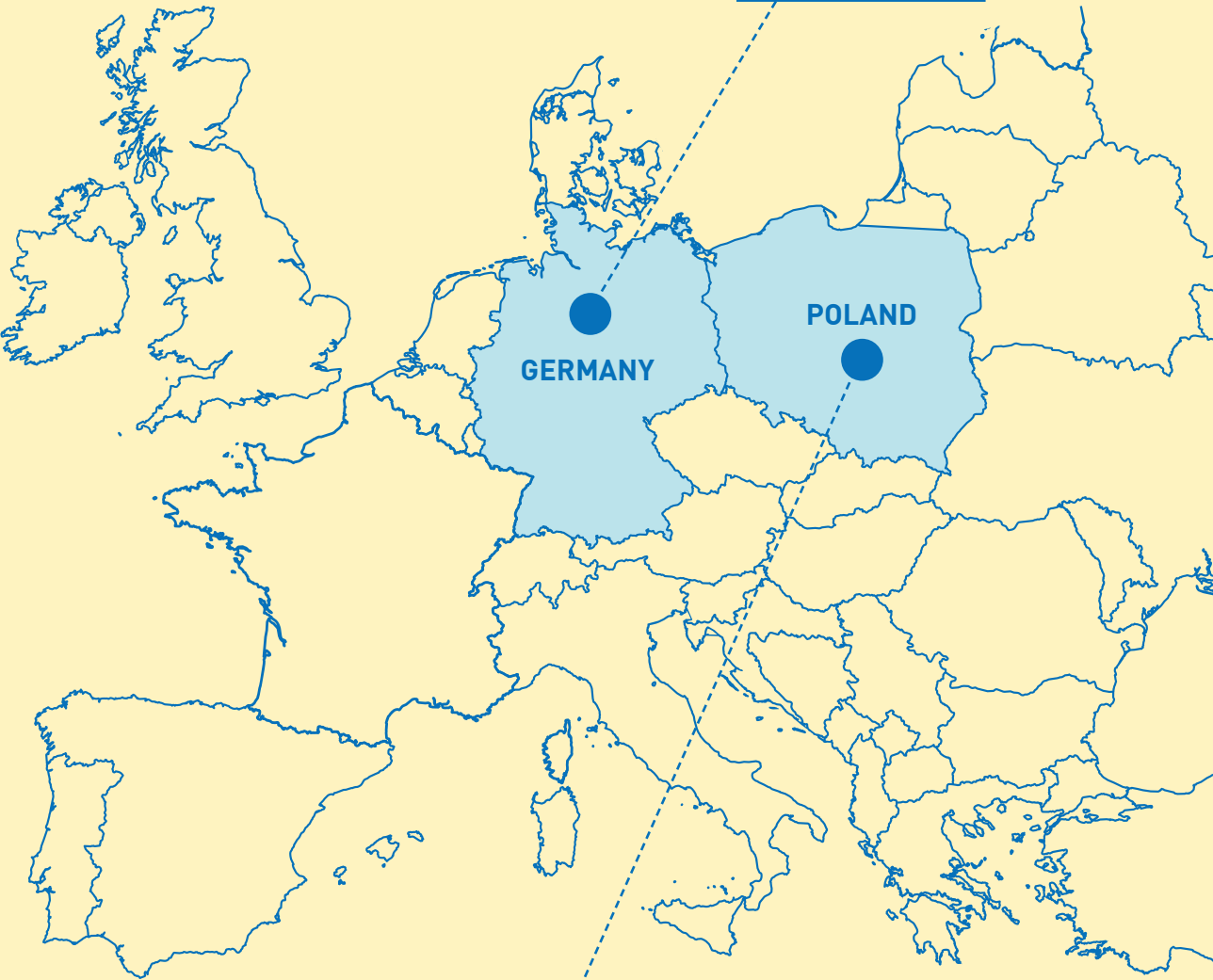


Additional information about Volksbank Darmstadt Mainz eG:  
[www.volksbanking.de](http://www.volksbanking.de)



# OUR RETAIL PORTFOLIO IN EUROPE

IN GERMANY AND POLAND



153  
properties

40.6  
€ million  
rental revenue

244,000  
sqm gross leasing  
area (approx.)

## GROCERY RETAIL: LONG-TERM SUSTAINABILITY AND STABILITY

Our extensive retail portfolio is largely made up of sites and properties that Tengelmann had either developed or purchased for its brick-and-mortar grocery retail business. When Tengelmann decided to sell its grocery retail operations, which took place in two phases – “Plus” in 2008 and “Kaisers-Tengelmann” in 2017 – the shareholders decided to retain ownership of the most appealing and future-proof properties and to transfer them along with other retail properties to a newly established subsidiary – Trei Real Estate. Since then, these retail properties and their corresponding asset and property management have been an important and established part of our core business – they are part of our “DNA”.

Over the years, our focus has been to fine tune and focus our portfolio. In this context, we reduced the number of core countries with the aim of increasing development and diversification in the ones which remained. This includes regularly reviewing the remaining portfolio and, as necessary, making strategic adjustments in order to pave the way for new opportunities and ensure a strong, long-term and sustainable portfolio. After selling the entire retail portfolio of 49 properties in Portugal at the end of 2022, we sold a total of 60 supermarket properties in the Czech Republic and ten Vendo Park retail parks in the Czech Republic and Slovakia in the first quarter of 2023. At the end of the year, after the sales of the country portfolios noted above, a total of 153 retail properties in Germany and Poland remained in our portfolio, which were rented to renowned retail companies – including Aldi, Lidl, Edeka, Rewe, Kaufland, Penny, Netto and Biedronka.



[www.treirealestate.com/en/](http://www.treirealestate.com/en/)

## TEAM





## WHO WE ARE



### WHAT WE STAND FOR

Passion for our projects, an appreciative approach and open communication characterize our daily interactions. Living out a values-based culture forms the basis for our actions, our decisions and our behavior. As a team, we are as diverse as we are individual: we come from different countries and cultures, have had different experiences and operate in different markets. Every day we each bring our individual perspective to the workplace, thereby contributing to the success of our company. But what connects us and what we share with each other is a common understanding of values. We have defined five values as the basis of how we conduct our business activities.

#### FAIR

A partnership of equals? That's us. We communicate honestly and with respect. And we appreciate each other.

#### HUMAN

Everyone has their own needs and expectations. To help us understand each other and provide the right support, we listen carefully and remain responsive.

#### RELIABLE

Our word is our honor. We are honest and communicate transparently – for a long-lasting working relationship built on trust.

#### MODERN

We seize opportunity with both hands. Rapid response and decision times, paired with an agile mindset, keep us dynamic.

#### ENTREPRENEURIAL

Long-term value is more important to us than short-term profit. We work with an open mind, without ever losing sight of the company and its stakeholders.

## WHAT DEFINES US

### WHAT WE DO

We always place people and their needs at the center of our actions, be it our partners, our tenants and customers or of course our employees – they are crucial to the success of our company. It is from this understanding that we do what we do: we create living spaces. As project developers and asset managers, we always strive to understand the people with whom we interact and to recognize their needs. Our starting point is always empathy, one that is both self-confident and goal-oriented: every thought, every action and every design begins with conscious listening and transparent communication with everyone involved. Truly sustainable living spaces only emerge when the planning and implementation of the project is based on the needs of the people for whom they are intended. This is the only way we can identify potential and position our business for long-term success.



## TEAM KEY FACTS

**173**

employees

**3**

offices worldwide

**1**

big team reaching  
across borders

**56% ♀**  
**44% ♂**

work at Trei

**15**

years Trei Real Estate

**19 & 52**

years old are the ages of  
our youngest and oldest  
recently hired employees

**33**

new colleagues  
join the team

**11**

nationalities come  
together at Trei

**10**

employees celebrate their  
tenth anniversary

**8**

social initiatives and organisations  
were supported by Trei

The figures relate to the year 2023.





## 15 YEARS, THREE COUNTRIES, ONE TEAM



15 years Trei

### A SPECIAL YEAR FOR TREI

2023 was a special year for Trei: it marked our company's 15th anniversary. 15 years of successful development of the company since it was founded as a fresh start-up in 2008. What followed has been an exciting journey, characterized by growth, which shaped Trei into the proven project developer and asset manager that it is today.

The initial phase was intense, launching in seven countries at the same time, including the Czech Republic, Poland, Portugal, Austria, Bulgaria, Hungary and Romania, which now feels like a long time ago. Today our focus is on our core countries – Germany, Poland and the USA. A clear focus on specific regions and asset classes proved to be crucial for Trei's successful positioning and further development, which took an impressive turn when it entered the residential real estate market in 2014.

We made the decision to collaborate with external partners and have been establishing joint venture relationships in the USA since 2018 – and in Poland since 2021. Moving forward, we plan to continue cooperating and partnering with selected investors and professional partners. Such an approach will help us advance our project developments, create a basis for further growth opportunities and strengthen our position in the market.

In short: Trei is a different company today than it was 15 years ago. And yet it has also remained true to itself. Not least because of our employees, some of whom have been with us from the start. With their commitment, they all contribute to the success story of our company and continue to write it every day. This milestone, the 15th anniversary, is a shared achievement and therefore had to be celebrated as a team – as an international celebration where the entire Trei team from all countries came together. Those are days that will remain unforgettable! And although 15 years is itself already an impressive period of time, the story of our company is far from complete. We still have a lot ahead of us – and we are happy to be able to walk this path with a strong team.





## SPOTLIGHT ON EMPLOYEES

INTERVIEW WITH MICHAEL LENART  
FINANCE DIRECTOR | TREI REAL ESTATE USA

**Michael Lenart has been part of Trei's management team in the US since the company's operations began there in 2017. As Finance Director, he is in charge of finance and accounting for all Trei companies in the US. In the interview, Michael discusses Trei's activities in the USA, market dynamics, and financing strategies, as well as his personal experiences in Germany, where he lived for several years.**

**In Germany, the general mood in the real estate sector – especially among project developers – is currently depressed. What is the situation in the USA?**

Based on my experience at Expo Real last year, I think the mood in Germany is quite a bit more depressed than it is in the US. In the US, both sales transaction and development activity dramatically decreased in 2023 compared to prior years and availability of construction financing for new developments was generally unavailable. However, this has widely been viewed as a temporary situation that will begin to reverse as inflation is brought under control and the Fed starts cutting interest rates.

**How does Trei finance US projects?**

Our US projects are financed with a combination of debt and equity. Debt is most often provided by a national or regional commercial bank although on two of Trei's projects, the construction loan was provided by a life insurance company. Construction loans typically range from 36 or 48 months with one or two extensions. This means for our current projects, we have loans that will be maturing between 2025 and 2027.

**Up to what loan-to-cost ratio does financing currently go for projects in the US?**

As our loans are all construction loans, they are determined on a loan-to-cost basis. Pre-pandemic we targeted a LTC ratio of 60%-65%. Post-pandemic, we have seen a decrease in the leverage banks are willing to provide, where today we expect LTC ratios of 50%-55% (and even those loans are challenging to secure). We expect leverage will return to historical levels once interest rates decrease.

**What is the total amount of current financing (debt financing volume) in the USA?**

Currently we have approximately \$250 million in debt financing for five projects with around \$110 million drawn as of the end of 2023. We are in the process of negotiating an additional loan for a project in Nashville which will bring our debt financing volume up to around \$317 million.

**What are your expectations for the future development of interest rates and conditions for real estate financing?**

Since inflation in the US decreased over the second half of 2023 and appears to be on track to reach the Fed's target of 2% later this year or next, we expect the Fed to begin cutting rates in 2024. These rate cuts would have the effect of making more projects viable since the required interest reserve would correspondingly decrease and the general availability of construction loans will likely increase.

However, one unknown is the potential impact to banks from loans on office buildings. Banks generally have been delaying dealing with this issue since the pandemic but at some point will likely have to address nonperforming office loans; and the larger this problem is, the less capital banks can make available for new construction loans, including multi-family.

**How do you assess the future development of the residential real estate market in the USA?**

I believe the multi-family sector in our target markets continues to offer strong prospects, particularly in the long-term. One reason Trei's target markets were selected is demographics – people continue to relocate here largely for employment and quality of life reasons. Although last year was very slow for new development and sales transaction activity, we expect this to begin to pick up again in 2024 as interest rates start to decrease. We expect the lack of new starts in 2023 to lead to a strengthening of rents beginning in 2025. Additionally, high home prices and mortgage rates continue to make it difficult for first time home buyers, which means that they rent for longer, which is good for the multi-family business.

**Michael, since you have also lived and worked in Germany for a few years: what are the major differences between the two countries?**

From 1995 to 2001, I lived in Germany. There are many German traditions that I miss here in the US, such as Christmas Markets. But speaking more generally, during the time I lived in Germany, I would say Germans tended to be more formal. In the time since I've moved back to the US, I'm astounded how much more relaxed Germany has become and how Germans interact with others in a much more informal way. First names and using "Du" (informal "you") have become common in business settings. If you would have told me 20 years ago that it could change so much, so quickly, I never would have believed it. And in my opinion, this is a really positive change!

When thinking about financial matters, I think you can say that Germans tend to approach these matters more cautiously. For example, if you look at the criteria for establishing an accrual, under German GAAP, it tends towards a worst case outcome whereas under US GAAP, it focuses on the most probable outcome, which can sometimes tend to be too optimistic. I'm sure the best approach would be to pick something in the middle.



**KEY  
FINANCIAL  
DATA**



# KEY FINANCIAL DATA

FOR THE YEAR ENDED DECEMBER 31, 2023

## NUMBER OF PROJECTS

	2023	2022	Change
Germany	66	68	-2
Poland	158	157	+1
Czech Republic	0	67	-67
Slovakia	0	4	-4
Portugal	0	49	-49
USA	7	8	-1
	<b>231</b>	<b>353</b>	<b>-122</b>

## RENTAL REVENUE

Euros in millions	2023	2022	Change
Germany	34.6	28.0	+6.6
Poland	40.1	35.3	+4.8
Czech Republic	2.4	13.4	-11.0
Slovakia	0.3	1.8	-1.5
Portugal	0.8	8.4	-7.6
USA	1.9	1.5	+0.4
	<b>80.2</b>	<b>88.4</b>	<b>-8.1</b>

## INVESTMENTS IN REAL ESTATE AND DEVELOPMENT

Euros in millions	2023	2022	Change
Germany	32.1	50.9	-18.8
Poland	51.7	55.4	-3.7
Czech Republic	0.1	0.5	-0.4
Slovakia	0.0	0.1	-0.1
USA	129.4	88.9	+40.5
	<b>213.3</b>	<b>195.8</b>	<b>+17.5</b>

## NET DEBT

Euros in millions	2023	2022	Change
Cash and cash equivalents	84.0	101.4	-17.4
Total debt	-588.4	-611.0	+22.6
Net debt	-504.4	-509.5	+5.1
LTV (%)	34.1%	31.3%	+2.8%



# ACKNOWLEDGEMENTS

## EDITOR

Trei Real Estate GmbH  
Klaus-Bungert-Str. 5b  
40468 Düsseldorf  
+49 211 54011-000  
info@treirealestate.com

## SUBSIDIARIES

Trei Real Estate Poland sp. z o.o.  
ul. Wspólna 47/49  
00-684 Warszawa  
+48 22 427 63 01  
poland@treirealestate.com

Trei Real Estate USA Management LLC  
1422 S. Tryon Street, 3rd Floor  
Charlotte, NC 28203  
+1 704 940 5592  
usa@treirealestate.com

## EDITORIAL STAFF

Justine Kuipers  
Kristin Finke  
Denise Hudemann

## ART DIRECTION

Vanessa Purkl

## FINANCIAL STATEMENTS


Inhouse produced with [www.firesys.de](http://www.firesys.de)

## PRINT

Albersdruck  
ALBERSDRUCK GMBH & CO KG, Düsseldorf  
[www.albersdruck.de](http://www.albersdruck.de)

## VISIT / FOLLOW US ON

[www.treirealestate.com](http://www.treirealestate.com)

 [linkedin.com/company/trei-real-estate-gmbh](https://www.linkedin.com/company/trei-real-estate-gmbh)



port.o.  
prenz



[treirealestate.com](http://treirealestate.com)