

Ulrich Höller's boundless energy and wide range of interests have given the CEO of DIC Asset an 'unprecedented' network

BY SARA SEDDON KILBINGER

THE NETWORKER

ULRICH HÖLLER

Ulrich Höller, chairman of the management board of Frankfurt-based property group DIC Asset, is not a man to sit idly by as the euro-zone crisis deepens. Instead, he is pushing ahead with plans to grow cashflow assets and boost the firm's fund business to €1 bn. DIC Asset focuses on developing, acquiring and managing commercial property in Germany, notably office and retail assets. The group had €3.3 bn of assets under management as of end-January 2012, equating to around 280 properties. Last year, it invested nearly €300 mln in real estate, raising the investment capital by way of a capital increase and corporate bond. This year, the firm will spend a similar amount again, according to Höller.

The 46-year-old CEO also wants to beef up his firm's exposure to the fund business, growing DIC Asset's Office Balance 1 fund to €500 mln within the next 18 months, up from €300 mln today. 'We're not going to have a capital raising as such; existing investors in the fund will contribute.' The group plans to launch a second fund in the second half of the year: a retail fund that will invest in mid-size cities in Germany. The initial target size is likely to be around €200 mln. 'I think it could be of interest to existing investors as well as new investors. Overall, our fund business should grow to €1 bn over the next three years,' he said.

Despite challenging conditions, DIC Asset succeeded in leasing 245,000 m² of office space last year, down slightly on 256,000 m² in 2010. New rentals last year accounted for around 120,000 m², a 16% jump on 2010. The overall vacancy rate of DIC Asset's portfolio fell to below 13%, down from 14.3% in 2010.

Interestingly, Höller never set out to work in real estate;

during his university studies, he took a part-time job as an assistant at Trier-based developer Waco. 'I found the business and industry so exciting and challenging that I never left! More than 21 years later, I am still committed to real estate,' Höller said. At Waco, where he stayed on, he was promoted to managing director in 1994. It was at this time that Höller took on what he describes as one of the landmark projects of his career: the redevelopment of Palais Walderdorff, a 17th century building located near to Trier's Unesco-protected cathedral. Höller and his team refurbished the 15,000 m² property to create an urban mix of retail, office, the city library, restaurants and a club.

In 1997, Höller moved to Frankfurt. By the end of 2000, Waco had been assimilated into DIC Asset and Höller took on the role of chief operating officer before being promoted to chairman in 2002.

Today, Höller notes that DIC Asset's flagship project in

Frankfurt, MainTor – The Riverside Financial District – has the same ambition as Palais Walderdorff, namely 'to combine different usages in an urban cultural city life'. The scheme in Frankfurt's city centre, upon which construction started last year, comprises five sub-projects, which will cost around €580 mln to develop. The first one, MainTor Primus, has been pre-sold to a private investor (Carlo Giersch) and DIC Asset has just leased 14,000 m² of the second building, MainTor Porta, to Union Investment. Reinhard Kutscher, chairman of Union Investment's management board, told PropertyEU that his firm was attracted to the site due to the 'efficient space, sustainable approach and reasonable pricing as well as the overall quality of the location and the project'. According to Christian Ulbrich, head of EMEA at Jones

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ABOUT DIC ASSET

DIC Asset is a listed, Frankfurt-based real estate company focusing on commercial real estate investment and development, with a particular emphasis on the office and retail sectors. The group's portfolio is divided into three segments: the 'core plus' portfolio that offers stable rental yields; the 'value-added' portfolio that offers promising performance potential in the medium-term and the 'co-investments' portfolio which comprises minority stakes in supplementary real estate sectors, including opportunistic investments, project development and funds. DIC Asset AG has been included in the SDAX segment of the Frankfurt Stock Exchange since June 2006. The company's shares are also included in the EPRA index. DIC Asset had €3.3 bn of assets under management as of end-January 2012, equating to around 280 properties.



Lang LaSalle, Höller's drive stands him in good stead in these challenging times: 'He's very ambitious and disciplined: he never seems to need any rest! In addition, he has an unprecedented network, not just in the real estate sector,' he said.

Growing up in Trier, Germany's oldest city, Höller initially dreamed of becoming a football star until, at the age of 15, he decided he wanted to do 'something economics-related'. He went on to earn a business administration degree from the European Business School in Oestrich-Winkel in 1991, accumulating additional degrees in real estate economics and certified shopping centre management in 1996 and 1998, respectively.

While Höller's star is now rising – he was winner of the ULI Germany Leadership award in 2009 – he owes part of his success to US investment banks like Morgan Stanley and Goldman Sachs' fall from grace in Germany. 'In the early part of the last decade, he was not on the same level as some of these guys or the German open-ended fund managers. But he is one of the main survivors of the crisis. As a real bricks and mortar guy, he is now coming into his own,' noted Thomas Beyerle, head of CS and research at IVG.

In addition to being the driving force behind DIC Asset, Höller juggles a number of other balls. He is also vice-chairman of the German property federation, ZIA, a member of the management board at EPRA, and a member of the advisory board at Eurohypo. Höller belongs to the 'new guard' of young managers in Germany, according to Philip Charls, CEO of EPRA. 'I am very positive about German leadership in general and Ulrich is a fantastic representative. In the past, many Germans were inward-looking but Ulrich is very outward-looking.

He's very energetic and travels a lot, also privately, and enjoys getting a different perspective.' Charls describes Höller as 'very dynamic and very personable'. 'When he takes something on he goes for it 200%. He's a very reliable partner, a good thinker and a good strategist. He really makes a difference.'

On a creative note, Höller is also involved with the Museum of Modern Art in Frankfurt. 'For me, art and architecture are very closely linked and I am very interested in both of them. I am thinking of including art as part of our MainTor project inside the old buildings before demolition and also in the public spaces. Last year, we hosted part of the anniversary exhibition of Frankfurt's Museum of Modern Art. More than 110,000 people came, it was amazing,' Höller enthused.

Such diversity of interests underpins his ability to connect with a wide range of people. According to DIC Asset's CFO Markus Koch, who has worked with him since 2003, Höller is especially good at finding an 'Ebene', or level at which he can connect with people. 'He's very good at finding a common point of interest to talk about, whether it's property or something completely different,' he said.

In his downtime, Höller is a keen runner and tries to run four to five times a week. He has run the New York marathon several times as well as the one in Chicago. 'If I'm on a business trip, I always take my running clothes with me. It's interesting as a real estate guy: if you run for an hour or more in any city, you see how the neighbourhoods change, where new developments are springing up. It's extremely interesting to witness,' he said.

Unsurprisingly, given his drive, he admits that beach holidays are not his thing. Instead, he prefers to travel to far-flung places in Asia, Africa or America, such as Cambodia or Peru, with his wife and two children. 'I like wine and know quite a lot about it, so also I try to build in trips to wine regions in my holidays,' he laughed. Gerhard Niesslein, CEO of Swiss developer Orascom Development and former CEO of IVG Immobilien as well as a long-time friend of Höller, says his secret weapon is his wife. 'She's always there and is very supportive of him. She's the most charming hostess. Once you've been invited there, you understand why Uli is as good at what he does as he is.'

Höller describes himself as having 'a lot of energy'. 'But what's really important to me is being genuine and being sustainable and loyal, both to people and to things I'm doing.' He acknowledges that a lot of people would describe him as ambitious but says he doesn't always have an exact 'lay-down' masterplan. 'However, I am fully dedicated to what I am doing and I am convinced that it will be always interesting.' In today's uncertain climate, these might be just the qualities he needs to steer his firm through Europe's crisis into more promising times. ■