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The benefits of a hands-on approach to running a fund

An interview with Harm Meijer, Managing Director and Co-Founder of ICAMAP

Harm Meijer says, "I learned right from the beginning that you need do your own homework. Too many people active in the financial markets assume what they hear from someone else is true without checking the facts. This can result in a lack of independent thought and everyone chasing the same trends." This independent thinking and vision have defined Harm's career to date and helped him to build a trendsetting fund in ICAMAP.

ICAMAP does things a bit differently from the competition. Despite the decades of experience that he shares with his co-founders - Guillaume Poitrial and Alexandre Aquien - the firm retains a boutique and hands-on approach that has made it popular with

a variety of investors. The Dutchman explains how this looks in practice: "A lot of our investors have come in via our network, and if you are an investor with us, you get a personalised approach. There's no salesperson - it's us at the end of the phone!"

This isn't just limited to the client service operations of the fund either. As well as offering niche products and non-standard funds that bigger competitors don't, Mr Meijer says that ICAMAP takes an almost private equity-like strategy to the way it works with companies it invests in. "Our approach here is very hands-on," Harm says. "We are positively and proactively involved with our investments and sometimes we are represented on the board."

TAKING THE LEAP

This reflects the genesis of ICAMAP as a business as well as the diverse backgrounds of its partners. Harm himself is an analyst by training. After studying Econometrics in Rotterdam, he quickly became interested in property-related products. He worked at several leading institutions in the field, including ABN AMRO, where he started out as a property analyst in 2000. In 2005, he moved to JP Morgan, where he went on to become a leading sell-side analyst.

In 2013, however, he decided to do something different. A chance meeting with former Unibail Rodamco CEO Guillaume Poitrial and, according to

him, “one of the best chief executives in the sector” led to the establishment of ICAMAP in 2013. They were also joined by Alexandre, who came from a private equity background. They raised all the capital to launch the fund themselves, as Harm explains: “There was no fundraiser involved – most of the investors came in via our network and a couple after we sent hundreds of emails out”.

Things were not always straightforward for the fund in its infancy. “A lot of people were very cautious about committing to the new guys on the block, and there were definitely still echoes of Lehman in the system,” he says. However, the trio soon built up some positive momentum and went on to build a company that would eventually manage EUR 1.7 billion of equity on behalf of 26 leading investors.

CAPITALISING ON TURBULENCE

The fund manager isn't one to shy away from challenging circumstances. In April 2020 – during the pandemic's peak period of uncertainty – the trio launched their new ICAMAX fund, which has an AUM of circa EUR 200 million currently. According to Harm, the sell-off that was taking place provided great opportunities to pick up strong long-term real estate assets at discounted prices.

This bullish strategy, coupled with their hands-on and practical approach, has provided Harm with keen insights when it comes to the challenges

and opportunities facing real estate businesses across Europe and beyond. According to the former analyst, “There are too many companies listed that are simply not relevant enough. They don't have the proper scale or size, are too small to be interesting to investors and aren't liquid enough. They will increasingly face existential challenges.”

At the same time, however, the performance of and outlook for some businesses in sectors that investors have been wary of since the pandemic is much better than many appreciate. He says that budget hotels are a great example of this: “Budget hotels are very efficiently run and have a far lower cost base than more upmarket ones. They typically don't have restaurants, for example, which removes a huge cost base when things are quiet.” ICAMAP, together with Ivanhoe Cambridge, delisted budget hotel owner and operator easyHotel in 2020.

Looking at areas that other investors might overlook is a cornerstone of their strategy, and one that plays out particularly strongly in ICAMAX. “We look at all listed real estate stocks, of which there are 500 in Europe. A lot of funds only follow the FTSE EPRA Nareit benchmark or look at the top 40 stocks – you have this long list of companies that are just being ignored. Investors are missing out.” He thinks that the MiFID II changes have played a big role in this, saying that the lack of easy access to research has narrowed many investors' horizons.

A GREENER FUTURE

When discussing where some of the best returns will lie going forward, the co-founder has few doubts that the future is increasingly green. He explains that “ESG is a trend that is here to stay and is really going to accelerate. You can already see clear targets from governments with set timelines, and if anything, they are only going to accelerate these timelines. Sustainability will be a key theme going forward”.

It is through a desire to capitalise on these trends that ICAMAP together with WO2 launched ICAWOOD in 2019. The fund facilitates the development of new-generation low carbon offices in the Greater Paris region. Guillaume has been a front runner in this field since 2013, and the rest of the team at ICAMAP quickly saw its potential to deliver strong returns sustainably with the creation of the ICAWOOD fund. ICAWOOD has since funded the development of the largest solid-wood office development in Europe, called Arboretum.

While ICAWOOD has been a tremendous success and Harm is evangelical about the benefits of such initiatives, he is clear that real estate firms and funds need to think carefully before investing. “You have to be careful not to invest in a property that will become obsolete very quickly. If it doesn't have the right energy level or building materials, you can quickly get into trouble,” he says.

Investors and CEOs would be wise to heed his words – he has the background of an analyst and is a man who always pays attention to the details. In ICAMAP's case, independent thinking has certainly paid off. •

HARM MEIJER

Harm Meijer cofounded ICAMAP in 2013. He started his career at ABN AMRO and served as the bank's Head of European Real Estate Equities Research. In 2005 he joined JP Morgan Cazenove as Head of Real Estate Research, where he was Managing Director. Harm was a member of the EPRA Accountancy & Reporting Committee between 2008 and 2015.

