

M&G REAL ESTATE TRANSACTIONS TOTAL £4.1 BILLION IN 2016

- *Strong year for acquisitions despite global headwinds*
- *Transactions for last three years in excess of £12 billion*

LONDON, 09 February 2017 – M&G Real Estate, one of the UK’s largest property investors, bought and sold £4.1 billion of real estate in 2016, taking the total level of transactions to over £12.3 billion over the past three years. The 2016 total included £2.6 billion of new acquisitions.

Chief Executive Alex Jeffrey says: “Over 2016 we continued to grow our assets under management against a challenging market backdrop and we were again substantial net investors in real estate.

“We secured major deals across the UK, Europe and Asia, welcomed substantial new investment into our funds and opened new offices in Spain and Sweden.

“In 2016 we were again one of the most active participants in our home market in the UK. This is testament to our market-leading reputation for origination, reliable execution and unique ability to participate in the full spectrum of real estate.

“Whilst uncertainty during Brexit negotiations may affect values of some of the assets in the short term, UK commercial property will, in our view, remain a compelling asset class on a long-term basis.”

Notable new commitments included the £100 million commitment from the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) to M&G Real Estate’s UK residential property strategy. M&G Real Estate also signed two deals with Telford Homes plc for a combined £118 million to finance 275 new homes in Bow and Upton Park in London.

2016 also saw M&G Real Estate funding the construction of Ballymore’s Three Snowhill, a 420,000 sq ft office development in Birmingham city centre. The circa £200 million scheme is the largest ever speculative city centre office scheme outside London.

In Continental Europe, M&G Real Estate continues to focus on the recovery in the region by bolstering its investment capability, expanding its footprint and team, with new offices and senior appointments.

Alex explains: “Investors in Continental Europe are benefiting from increasing household spending power as well as occupational demand and lack of supply in core locations. Rental growth has been emerging in core locations across the region and Brexit is proving to have only a limited effect on investment sentiment. We expect Continental European commercial property to remain attractive to investors seeking stable returns.”

Continental European deal highlights include the deal between M&G Real Estate and GWM Group – with M&G Real Estate the majority shareholder – to acquire Market Central Da Vinci in Rome, the largest retail park in Italy, for €208 million. Also of note is the €230 million deal for Blekholmen 1, a central Stockholm office scheme, which marks the largest single Continental European acquisition made by M&G Real Estate to date.

In the Asia-Pacific region, where M&G Real Estate has offices in Singapore, Tokyo and Seoul, the appointment of Jing Dong Lai as Acquisitions Director, Asia, reflects its ongoing commitment to build on its capabilities in the region – where it is active across Hong Kong, Singapore, Japan, Korea, and Australia.

M&G Real Estate strengthened its commitment to South Korea in 2016 through the US\$141 million (KRW158 billion/£115 million) acquisition of Upsquare, a shopping mall in South Korea. The deal was made on behalf of M&G Real Estate’s core Asia property strategy – which remains the largest, core, open ended institutional property fund in Asia, celebrating its tenth anniversary having invested more than US\$558 million during the course of 2016.

Alex concludes: “Various unexpected political developments contributed to a challenging landscape for investors and occupiers alike last year. With further elections in France, Germany and the Netherlands, as well as the expected triggering of Article 50 in the UK, further uncertainty lies ahead.

“Nevertheless, our asset class continues to represent a relatively high yielding haven of stability and our strategic focus remains on long-term income driven investment, enhancing our position as a partner and co-investor of choice for institutional investors seeking exposure to high quality real estate and sizeable assets around the globe.”

M&G Real Estate fact file:

- Over **£26 billion** total assets under management
- Offices in the UK, France, Germany, Luxembourg, Spain, Sweden, Japan, South Korea, and Singapore



- **£4.1 billion** transacted in 2016
- **£12.3 billion** transacted over past three years
- **£50 million** - average deal size in 2016

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Notes to Editors:

About M&G Real Estate

M&G Real Estate is the real estate fund management arm of M&G and is one of the top 25 real estate fund managers in the world by assets under management, with over £26 billion invested in a broad spread of properties across Europe, North America and the Asia Pacific region (as of 30 June 2016). M&G Real Estate has a sector leading approach to responsible property management, and is committed to assessing and improving the sustainability performance of funds under management.

M&G is the investment arm of Prudential Plc in the UK, Europe and Asia. For more information, please visit www.mandg.com/realestate

About M&G

M&G is an international active asset manager, investing on behalf of individuals and institutions for over 80 years. At 30 June 2016 the firm manages over £255 billion of assets through a wide range of investment strategies across equities, bonds, property and multi asset.

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