

M&G expands living exposure in Europe with two acquisitions for €70M

London, 5 October 2023 – M&G Real Estate, part of M&G’s €86 billion¹ private markets business, has acquired two residential properties in Germany and Portugal on behalf of the €600 million M&G European Living Property strategy, launched in January this year. Supported by strong on the ground origination teams in continental Europe, new acquisitions align with the fund’s principle to invest in high quality properties with strong sustainability standards² in Europe’s most desired residential markets:

- In central Berlin, standing residential building for €36.5 million in an off market deal. Located at Park am Gleisdreieck and split across 7 floors, the building offers 67 high quality private rented apartments, 48 of which at open market rent. The property includes 19 subsidised apartments which are fully let, providing more affordable housing in Germany’s second most expensive city. With vacancy rates under 1% in Berlin³ and planning permissions falling across the country, assets like this have become especially sought-after by investors.
- In Lisbon, purpose-built student accommodation development for €35 million. The scheme will offer 333 beds, split into 315 single studios and 9 twodios, in the Olaias district within walking distance from Instituto Superior Técnico Lisboa, Portugal’s most prestigious engineering university. The development will help mitigate the long-standing shortage of student accommodation in the country, where in the 2021-2022 academic year 88% of student accommodation needs were still unmatched, with Lisbon accounting for 43% of this imbalance⁴.

Marcus Eilers, Head of European Residential at M&G Real Estate, said: “We are pleased to be able to source and originate these high-quality assets, which will deliver best-in-class living space in markets with large housing undersupply while helping provide attractive, risk adjusted returns to institutional investors in the strategy. The residential sector in Europe is showing its defensive traits, remaining resilient of current economic headwinds and offering strong diversification potential to investors’ portfolios.”

M&G Real Estate is one of the world’s largest property investors with €36 billion⁵ of assets under management covering real estate equity and debt strategies. In Europe, M&G Real Estate has offices in Amsterdam, Frankfurt, Luxembourg, Madrid, Milan, Paris, and Stockholm.

ENDS

^{1,5} As end of June 2023

² Sustainability traits by asset detailed in table below

³ Statista Research Department, 2021 | ⁴ Direção Geral de Ensino Superior (DGES)

Asset characteristics	PRS in Berlin	PBSA Lisbon
Price	€36.5 million	€35 million
Location	Park am Gleisdreieck	Olaias district
Units/Beds typology	67 apartments	333 beds split in 315 studios and 9 twodios
Size	5,384 sqm	9,730 sqm
Sustainability ²	Targeting BREEAM in-use Very good	Targeting BREEAM in-use Very good or better Targeting EPC label A – LEED Gold
Shared amenities	Communal garden, children’s playground and private storage space for bike parking	Gym, media room, study areas, communal kitchen and meal area, laundry room and multi-purpose room
Ready for occupation	In service	Second half of 2025

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Notes to editors:

About M&G Investments

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For nearly nine decades M&G Investments has been helping its customers to prosper by putting investments to work, which in turn creates jobs, homes and vital infrastructure in the real economy. Its investment solutions span equities, fixed income, multi asset, cash, private debt, infrastructure and real estate.

M&G recognises the importance of responsible investing and is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Programme.

M&G plc has committed to achieve net zero carbon emissions on its total book of assets under management and administration by 2050 and committed to reduce operational carbon emissions as a corporate entity to net zero by 2030.

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