

## M&G Real Estate Acquires Frontier Shinjuku Tower; Strengthens Conviction on Asia Pacific Living Sector

**SINGAPORE/ HONG KONG/ JAPAN, 24 January 2024** – M&G Real Estate Asia (M&G) – part of M&G plc’s £74 billion<sup>1</sup> Private Markets business, has acquired Frontier Shinjuku Tower, a premium high-rise multi-family property located in Nishi-Shinjuku, Tokyo for approximately JPY 30 billion (USD 201.6 million). This investment is made on behalf of M&G’s Targeted Strategy, which invests in value-add opportunities.

**Martin Seol, Head of Targeted Strategy at M&G Real Estate Asia** says, “Amidst the evolving landscape post-pandemic and adjustments in the interest rate environment, we are strategically expanding our direct value-add investments to cultivate higher returns for our investors. The acquisition of Frontier Shinjuku Tower exemplifies our commitment to this strategy.”

“We are keenly focused on sectors such as residential – including student housing and co-living – along with logistics and hospitality across the Asia Pacific, the United Kingdom and Europe. Leveraging our expert asset management capabilities, we aim to enhance the intrinsic value of our investments, ensuring they not only yield economic benefits but also uphold ESG standards”, adds Seol.

Asia Pacific’s growing urbanisation and immigration continues to drive demand for rented residential property in key cities, particularly as home price growth has substantially outpaced incomes.<sup>2</sup> With residential rents having kept pace or even outperformed inflation, and lower volatility seen in occupancy rates in residential assets during cyclical downturns, this sector presents a long-term and scalable opportunity for investors. This investment additionally represents M&G’s continued expansion in the residential sector in Japan, as part of the firm’s positive position on the Asia Pacific Living sector.

Completed in December 2017, Frontier Shinjuku Tower is a 24 storey building constructed by Japan’s leading residential developer Sekisui House. Situated on a generous 3,062 sqm freehold corner site in Nishi-Shinjuku, within Tokyo CBD, the property features a total net lettable area (NLA) of 14,877 sqm, comprised of 298 residential units and commercial components of mixed retail and office units on the lower floors. It is conveniently located in close proximity to Hatsudai and Shinjuku stations.

M&G plans to invest additional capital to further position Frontier Shinjuku Tower as a high-end multi-family property, and to restructure the commercial components to generate stable income.

Frontier Shinjuku Tower is likely to achieve a CASBEE S (Comprehensive Assessment System for Built Environment Efficiency) rating and currently holds a DBJ Green rating of 4 stars, which is amongst the highest for multi-family properties.

M&G’s acquisition of the Frontier Shinjuku Tower is part of a strategic series of investments in Japan, including a significant stake increase in the ESR Ichikawa Distribution Centre in the Greater Tokyo Bay Area in 2023, and the acquisition of 30 multi-family residential properties from Blackstone for JPY 49.2 billion in 2022, and the Minato Mirai Center Building in Yokohama in 2022, M&G’s largest real estate acquisition in Asia for some JPY 100 billion.

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<sup>1</sup> As at 30 June 2023

<sup>2</sup> Demographia International Housing Affordability, 2023

**Seiko Ikeda, Head of Japan Real Estate at M&G** says, “Japan is an essential pillar in M&G’s investment strategy, and we are relentlessly exploring opportunities that promise substantial value growth. The multi-family residential sector, in particular, is pivotal to our strategic positioning and success in the Japanese market. The addition of the Frontier Shinjuku Tower to our portfolio is a testament to our commitment to capitalising on high-potential assets and building our presence in this key market.”

**-ENDS-**

## **Notes to Editors**

### **About M&G Investments and M&G Real Estate**

M&G Investments is part of M&G plc, a savings and investment business which was formed in 2017 through the merger of Prudential plc’s UK and Europe savings and insurance operation and M&G, its wholly owned international investment manager. M&G plc listed as an independent company on the London Stock Exchange in October 2019 and has £332.8 billion of assets under management (as at 30 June 2023). M&G plc has over 5 million customers in the UK, Europe, the Americas and Asia, including individual savers and investors, life insurance policy holders and pension scheme members.

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.

M&G Real Estate is a leading financial solutions provider for global real estate investors. As part of M&G Investments’ private assets and alternatives division, M&G Real Estate has a sector leading approach to responsible property management and is committed to continuously improving the sustainability performance of its funds. Globally M&G Real Estate manages more than £33.9 billion (as at 30 June 2023) of assets on behalf of clients, providing a range of strategies and solutions.

### **About Targeted Strategy**

- M&G Real Estate Asia launched Targeted Strategy in 2019 to invest into value-add opportunities, across the office, logistics, residential, hotels and alternative property sectors in key gateway cities across Asia Pacific, UK and Europe.
- The strategy aims to derive increased rental income and capital appreciation by active asset management including refurbishment and repositioning a diversified portfolio of real estate assets.

For more information, please visit [www.mandg.com](http://www.mandg.com), or contact:

<b>Dinah Seah (M&amp;G Investments)</b>	<a href="mailto:dinah.seah@mandg.com">dinah.seah@mandg.com</a>	+65 6436 5305
<b>Sabrina Cheng (M&amp;G Investments)</b>	<a href="mailto:sabrina.cheng@mandg.com">sabrina.cheng@mandg.com</a>	+852 3725 3100
<b>Justin Teh (Singapore)</b>	<a href="mailto:justin.teh@fticonsulting.com">justin.teh@fticonsulting.com</a>	+65 6506 7685
<b>Michelle Lou (Hong Kong)</b>	<a href="mailto:michelle.lou@fticonsulting.com">michelle.lou@fticonsulting.com</a>	+852 3768 4552

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