

M&G Real Estate Expands Asia Living Strategy with Australian Purpose-Built Student Accommodation Acquisition

- *Acquisition of Park Avenue in Parkville, Melbourne for USD 61.8 million highlights continued conviction in residential sector across Asia Pacific*
- *Investment expands M&G's exposure to residential assets in Asia Pacific to USD 1.3 billion, supporting its strategy to focus on high-quality urban rental housing*

Singapore / Hong Kong / Australia, 10 March 2025 – M&G Real Estate (M&G) – part of M&G Investments' USD 92.4 billion private markets business, has acquired a purpose-built student accommodation (PBSA) asset in Melbourne, for USD 61.8 million¹. Following the acquisition of a prime residential portfolio in Osaka at the end of 2024, this investment marks M&G's first investment in Australia's PBSA sector and is in line with its Asia Pacific Living strategy to invest in high-quality assets in markets supported by strong demand and long-term growth prospects.

Australia's PBSA market is experiencing rapid growth, having nearly doubled in the past decade, and now has over 132,000 beds². Despite this expansion, it still serves only 6.5% of the country's full-time on-campus student population, compared to 25% in the UK³. Demonstrating strong resilience, it has achieved high occupancy rates with rental growth exceeding broader residential markets in key global cities⁴.

The acquisition of Park Avenue expands M&G's presence in the region's living sector, increasing its total exposure to USD 1.3 billion⁵. With the growing appetite for premium, institutional-grade residential assets across Asia Pacific, M&G remains focused on identifying opportunities in developed markets where supply is constrained and demand fundamentals are strong. This investment aligns with its strategy to build a well-diversified portfolio that delivers long-term value in resilient, high-growth markets.

"Our entry into Australia's PBSA market reflects our confidence in the region's long-term fundamentals and the significant investment opportunities it offers our clients," said **Jing Dong (JD) Lai, Chief Executive and Chief Investment Officer of M&G Real Estate Asia**. "Constrained housing supply continues to drive the need for high-quality rental housing, particularly in developed markets like Australia, and institutional investors have the long-term capital to invest in these assets that meet a societal need alongside providing investment returns."

Park Avenue comprises 369 beds across 328 units and is located near leading educational institutions, including the University of Melbourne, Monash University and RMIT University. With strong historical occupancy the asset is well-positioned to benefit from Melbourne's strong student demand and infrastructure investment, including the upcoming Parkville Metro Station opening in 2025, which will improve transport links to Melbourne Universities and other key transport nodes across Melbourne.

Through an upgrade programme that includes electrification and installation of solar panels, Park Avenue is targeting a 4-Star Green Star Performance certification⁶.

¹ The acquisition has been completed for AUD97.0 million (USD61.8 million); exchange rate: 1 USD: AUD1.57

² Property Council of Australia, Urbis, 2024

³ Property Council of Australia, Urbis, 2024

⁴ CBRE, 2024

⁵ As of 31 December 2024

David Askham, Director of Portfolio Management, Asia Living, M&G Real Estate, said, “This acquisition demonstrates our conviction in the PBSA and broader living sectors, and supports our strategy to grow in some of the region’s most resilient and dynamic living markets. The student accommodation sector in Australia is underpinned by strong fundamentals and increasing international student demand, demonstrating an ability to deliver attractive risk adjusted returns. Park Avenue is a well-located, high-quality asset that aligns with our disciplined investment approach, with the potential to provide excellent investment returns to our investors.”

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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 US\$437.5 billion of assets under management (as at 30 June 2024). M&G plc has around 4.6 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). M&G plc has committed to achieve net zero emissions by 2050 at the latest, across our investment portfolios and operations.

M&G Real Estate is a leading financial solutions provider for global real estate investors. As part of M&G Investments’ private markets business, 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 US\$40.9 billion (as at 30 June 2024) of assets on behalf of clients, providing a range of strategies and solutions.

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⁶ Green Star is an internationally recognised sustainability rating and certification system developed by the Green Building Council of Australia. It sets the standard for healthy, resilient, and environmentally responsible buildings, assessing their impact on climate change, biodiversity, resource efficiency and occupant well-being. A 4-star rating represents best practice in sustainability performance, delivering positive environmental impact through climate-positive operations or high performance in energy, water, and health-related areas.

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