



ARA EUROPE ACQUIRES 190,000 SQ. FT. PORTFOLIO OF THREE URBAN LOGISTICS ASSETS IN THE UK FOR CIRCA £25 MILLION

United Kingdom, 14th June 2023 – Real estate investment manager, **ARA Europe**, part of the ESR Group, has completed the acquisition of three urban logistics and distribution properties on behalf of its flagship discretionary value-add Active Fund series. The circa £25 million investment was made on behalf of ARA Europe Active Real Estate Fund V (“the Fund”).

The properties comprise circa 190,000 sq. ft. of lettable area in Aylesford, Birmingham, and Glasgow as part of the Fund’s strategy of assembling a high-quality portfolio of urban logistics assets in the UK. The portfolio will aim to provide investors with enhanced returns through superior rental growth due to compelling supply-demand dynamics in local sub-markets whilst future-proofing property values through an ongoing programme of capital expenditure to improve energy performance and ESG credentials.

The properties all benefit from proximity to key motorway junctions serving the UK’s largest cities and are fully occupied by international distribution and third-party logistics operators such as UPS and Scan Global Logistics, as well as national and regional occupiers. The acquisition continues ARA Europe’s long track record of successful aggregation strategies in the industrial and logistics sector in the UK and Europe.

Stuart Jackson, Head of Fund Management at ARA Europe, commented: “The market correction in H2 2022 has created an attractive window to aggregate last mile Urban Logistics assets in the UK’s top cities. The UK has highly constrained land supply in city fringe locations, and future development is becoming uneconomic with the cost of land, higher interest rates and increases in construction costs. These supply constraints along with robust occupier demand, driven by e-commerce, are why the last mile is a strategic priority for us. We have a healthy pipeline of off-market opportunities so expect to be adding further assets to the portfolio over the coming months.”

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NOTES TO EDITORS

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About ARA Europe

ARA Europe is a real estate investment manager, a subsidiary of ARA Asset Management Limited (“ARA”) which is part of the ESR Group (the “Group”), APAC’s largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With approximately US\$150 billion in total assets under management (AUM), our fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. We provide a diverse range of real asset investment solutions and New Economy real estate development opportunities across our private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US\$46 billion. Our purpose – Space and Investment Solutions for a Sustainable Future – drives us to manage sustainably and impactfully and we consider the environment and the communities in which we operate as key stakeholders of our business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index. For more information on ESR, please visit www.esr.com