

ARA Europe Closes Two European Commercial Real Estate Financings

- *ARA Europe, in collaboration with PATRIZIA Global Partners, has closed two European commercial real estate financings, seizing market opportunities created by the withdrawal of traditional lenders*
- *The transactions involved financing a green office refurbishment in central Birmingham and a purpose-built student accommodation asset in Salamanca*
- *Both deals were with repeat clients, demonstrating the trust and success of ARA Europe's investment strategy in providing loans to high-quality sponsors secured by assets with sound real estate fundamentals*



Refurbishment of a 7-Storey Green Office in Birmingham

Development of a 160-Bed PBSA in Salamanca

LONDON, 16 June 2023 - ARA Europe, part of the ESR Group, together with PATRIZIA Global Partners has closed two European commercial real estate financings as it capitalises on market dislocation and the withdrawal of traditional lenders from the commercial real estate lending market.

The first transaction financed the Kier Group alongside senior lender Deutsche Hypo to facilitate a 130,000 sq ft green office refurbishment in a prime location in central Birmingham, UK. The building's prime location and market-leading sustainability credentials, including EPC A, Net Zero Carbon in Operation, and NABERS 5-star rating, will position it well to capture evolving tenant demand.

The second transaction provided whole loan financing to AMRO Partners to fund the development of a 160-bed PBSA asset in Salamanca, Spain. The central location is within a 10-minute walk of 25,000+ students at the University of Salamanca, and the asset will benefit from the strong demand-supply imbalance of the local market. Both transactions were deals with repeat clients of ARA Europe.

George Cotterell, Head of Origination for Real Estate Debt at ARA Europe, commented: "While there are traps for the unwary in the current market, we are sourcing attractive investment opportunities by doubling down on our core investment philosophy: providing loans to high-quality sponsors secured by assets with sound real estate fundamentals. We are open for business and delighted to be able to support two existing clients on business plans that are well-adapted to the new market environment."

Pablo Calvillo, Head of Iberia at ARA Europe, commented: "This is a great opportunity to deploy capital into a market that is very attractive for real estate debt in terms of risk-adjusted returns. This

investment is also an excellent example of how ARA Europe successfully accompanies clients as they expand throughout Europe. The PBSA deal is our fourth transaction with this sponsor in Spain, and we are pleased to partner with AMRO in this landmark transaction which reinforces ARA Europe's strategy in Spain. By supporting our client's growth, we also contribute to the development of the PBSA sector in Europe, and more specifically in Spain."

Marko Multas, Fund Manager of PATRIZIA Global Real Estate Debt Fund, commented: "We have multiple touchpoints within ESR Group through our investments and are very happy to align ourselves with the ARA Europe team in these transactions. These investments will ease students' pressure to find proper accommodation in Salamanca and provide a new future-proofed environment-friendly premium workspace location in Birmingham. These investments are well in line with our philosophy, and both have credentials to be sustainable long-term investments."

About ARA Europe

ARA Europe is an integrated real estate investment manager bringing 30+ years of investment and asset management experience across the UK and Western Europe. Our experienced team of 60+ people has acquisition, development, finance, and asset management functions in-house. Our focus on sustainability, people-centred design, and community engagement seeks to improve the business and social environments of our investors, staff, and other stakeholders. Our vision is to create spaces to inspire people's lives. We do this by unlocking the potential of new and existing buildings and improving these properties to deliver value for all stakeholders. ARA Europe is 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.

For more information on ARA Europe, please visit www.ara-europe.com.

About ESR

ESR is 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 US. 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.

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