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ARA Europe Acquires French Urban Logistics Complex for Flagship Value-add Fund V

The complex includes four existing buildings totalling 28,000m² which are 96% let to leading operators including Chronopost, VIR Transports and UPS, as well as 5,000m² of logistics space to be developed



London, 4 March 2024 - ARA Europe, the European platform of ESR Group, has acquired an urban logistics complex, located on the outskirts of Rouen in France, on behalf of its ARA Europe Active Real Estate Fund V ("the Fund"). The acquisition forms part of the Fund's seed portfolio, which focuses on the aggregation of well-located last-mile distribution warehouses within the French logistics corridor.

The complex includes four existing buildings totalling 28,000 m² which are 96% let to leading operators including Chronopost, VIR Transports and UPS, as well as 5,000 m² of logistics space to be developed on brownfield sites via two forward-funding schemes with pre-agreed fixed price contracts. The site is strategically located in the immediate vicinity of a major container port as well as critical highways such as the A13, A28 and A150.

The asset offers excellent value creation potential through the upgrading of existing buildings, capturing underlying rental reversion. The four existing buildings which will be upgraded and two

properties to be developed are expected to obtain BREEAM Very Good environmental certification for their ESG features including solar panels, LED lighting, EV charging points and cycle racks.

The purchase expands the seed portfolio following an earlier acquisition of three other assets located along the French logistics corridor as ARA Europe continues its logistics aggregation strategy in France.

Quentin Kerrault, Head of Investment at ARA Europe, commented: *"Vacancy rates in the logistics sector in France are extremely low, standing at 4.7% in Q4 2023 according to CBRE, and acquiring this complex in a major industrial cluster adjacent to Rouen's city centre provides us with strategic buildings, well located for urban logistics. Demand, boosted by e-commerce, and lack of supply, make a compelling investment case for such assets. We continue to seek similar opportunities with excellent fundamentals and value creation potential."*

In France, ARA Europe's logistics portfolio now comprises a dozen buildings, totalling more than 250,000m². It continues to deploy an active investment strategy to identify other opportunities in the industrial and logistics sector.

ARA Europe was advised by notary firm Le Breton, law firm Mayer Brown, Racine for tax matters and Etyo for technical aspects. The building was financed with the assistance of Société Générale as senior lender.

ENDS

About ARA Europe

ARA Europe is the European platform of the [ESR Group](#), the largest real asset manager in APAC powered by New Economy and the third largest listed real estate investment manager globally.

ARA Europe is a real estate investment manager bringing 30+ years of investment and asset management experience across the UK and Western Europe. ARA Europe has fully discretionary, separate account and joint venture vehicles across all major real estate sectors, including debt. ARA Europe is particularly active in the Industrial and Logistics sector where they have in-house operational expertise and the occupier relationships of the ESR Group.

ARA Europe is the investment and asset manager for [Regional REIT](#), a real estate investment trust listed on the London Stock Exchange, which owns regional office assets in the UK.

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 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 approximately US\$45 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