

## **M&G EUROPEAN PROPERTY FUND CONTINUES RESIDENTIAL PUSH WITH €62 MILLION ITALIAN STUDENT HOUSING DEAL**

- *First student accommodation deal in Continental Europe*
- *Further deals sought in France, Italy, The Netherlands and Nordic regions*

**LONDON, MILAN, 2 NOVEMBER, 2020:** M&G Real Estate is to finance the development of a 513-bed purpose-built student accommodation development in central Bologna, Italy, for €62.1 million. The funding has been agreed on behalf of the €4 billion M&G European Property Fund, managed by David Jackson and Simon Ellis, as part of a strategy to broaden its residential exposure in Continental Europe.

Alongside acquisitions of a French senior housing asset and a Dutch private rented sector scheme last year, this is the Fund's third transaction which combines resource from its M&G Real Estate's European platform with its market leading residential business under the leadership of Alex Greaves.

The 15-storey scheme, which is being developed by Stonehill Group, will be ready for occupation by students in summer 2022. Located in the 'Little Bologna' district, which is popular for its bars, cafes and art scene, it is a 20-minute walk away from the University of Bologna.

The asset's sustainability aspects have student health and wellbeing at the heart of the design strategy. Living accommodation, study areas and private dining rooms will be powered by air source heat pumps and intelligent technology-led energy saving systems and the asset's green credentials are strengthened by 294 bicycle spaces, 18 electric scooter spaces and car charging points. Students will be able to enjoy panoramic views from the building's sky lounge, as well as a landscaped courtyard, gym, yoga studio, cinema and gaming pods.

**David Jackson, manager of the M&G European Property Fund, comments:** "This acquisition will increase the Fund's exposure to the rapidly growing institutional residential markets across Europe, providing strong diversification and rental growth potential. We particularly like the opportunities we are seeing in France, Italy, The Netherlands and the Nordics and are actively looking to increase our exposure in those markets.

“The continued emergence of the global middle class will accelerate the long term growth in overseas demand for higher education, with an increasing focus on purpose-built, safe, and well managed student accommodation schemes such as this. Despite being one of the world’s oldest and most prestigious universities - and a popular destination for both domestic and international students - Bologna suffers from a chronic lack of suitable student accommodation, and we see this as a great opportunity to deliver high quality product to address this.”

**Alex Greaves, Head of Residential Investment, M&G Real Estate, adds:** “Residential accommodation is a consumer product, which requires tailoring apartments, homes and rooms to their target demographic and geography in a sustainable way, which is what we have been doing in the UK since 2013.

“Combining the knowledge and experience of our European team with our expertise of residential investment in the UK demonstrates that not only can we create increased capacity to identify and structure further deals, but we can provide clients with access to quality real estate with long term value across the spectrum, from student accommodation to senior living.”

**ENDS**

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