

M&G REAL ESTATE CONCLUDES 2014 WITH CIRCA £4 BILLION OF GLOBAL TRANSACTIONS

- *£7.3 billion transacted over last 2 years*
- *£3.2 billion of acquisitions in 2014 with an average deal size of circa £50 million*
 - *Around 6.5 million sq ft of lettings in UK, Europe and Asia*
 - *3.3 million sq ft in development*

London, 29 December 2014 – M&G Real Estate has concluded 2014 with circa £4 billion of acquisitions and sales. Total transactions for the past two years stand at £7.3 billion.

During 2014, more than £3.2 billion of property assets, with an average deal size of £50 million, were acquired or committed to – around two thirds of which were achieved off-market. In the same twelve months, M&G Real Estate disposed of 73 holdings to realise more than £590 million in cash. Total acquisitions for the past two years are in excess of £5.7 billion.

With a more marked focus on key South East office and logistics markets, M&G Real Estate has made £164.5 million of purchases in Reading and invested £33 million in Watford in a total of five separate transactions, alongside strategic acquisitions in non-core London locations such as Aldgate and Park Royal. This focus on major business hubs in and around London is a response to improvements in the economy and a resuming office development pipeline.

The global real estate fund manager has also increased its exposure to alternative property sectors with the purchase of a portfolio of six acute psychiatric hospitals for £223 million in October and a portfolio of 39 health clubs for £92 million in February.

M&G Real Estate's ability to transact in scale is evidenced by its five biggest deals of the year including: 1 Spinningfields Square in Manchester (£320 million); Gala Bingo portfolio (£173.5 million); Parc Trostre Retail Park in South Wales (£156 million); 2 Snowhill, Birmingham (£146 million) and Fremlin Walk Shopping Centre in Maidstone (£110 million).

On the international stage M&G Real Estate has made £273 million of investments in Australia and Japan, on behalf of its core Asia strategy, including a 42,186 sq m office and warehouse complex in New South Wales, a 23,286 sq m transport and warehouse facility outside Melbourne, 745 apartments in West Japan and a seven-storey office in Tokyo.



Alex Jeffrey, Chief Executive, M&G Real Estate, comments: “Over the past two years we have been one of the most active participants in the property markets as our clients have allocated more capital to the sector. We have taken advantage of improving market conditions to reposition our portfolios and add more quality, as well as diversifying into alternative sectors offering long term income potential. Capital inflows to our funds have also been strong in 2014.”

Elsewhere M&G Real Estate has continued to take the lead on institutional investment back into the private rented sector. Plans to fund a £43.5 million 152-unit private rented development in North Acton announced in July have firmly placed M&G Real Estate’s residential strategy at the forefront of the growing 'build to rent' sector, which has been void of notable private investment for decades.

Alex Jeffrey concludes: “There is no doubt that 2014 has seen M&G Real Estate entering into exciting new business areas, while retaining and further growing our focus on those key markets in which we are well-established. We move into 2015 in a strong position, having made a number of significant appointments to our global team and with the benefit of growing investor and third party capital interest in our industry-leading investment strategies.”

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Notes to Editors:

About M&G Real Estate

M&G Real Estate is the real estate fund management arm of M&G and is one of the top 25 real estate fund managers in the world by assets under management, with over £20.4 billion invested in a broad spread of properties across Europe, North America and the Asia Pacific region (as of 30 September 2014). M&G Real Estate has a sector-leading approach to responsible property investment, and is committed to assessing and improving the sustainability performance of funds under management.

M&G is the investment arm of Prudential Plc in the UK, Europe and Asia. For more information please visit www.mandg.com/realestate

**About M&G**

M&G is an international active asset manager, investing on behalf of individuals and institutions for over 80 years. At 30 September 2014 the firm manages over £257 billion of assets through a wide range of investment strategies across equities, bonds, property and multi asset.

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