

Press release



M&G adds almost 1,000 units to its living portfolio through €239m commitment in Spain

- *The investment underscores M&G's focus on top ESG standards and long-term growth in Southern Europe*

London, 8 January 2026 – M&G Real Estate, part of M&G's €90 billion¹ private markets business, has made a significant move in Spain with a combined €239 million investment into the Living sector to provide almost 1,000 units. On behalf of the M&G European Property Fund, M&G has acquired a living development in Barcelona and a Build-to-Rent (BTR) project in Madrid, reinforcing its conviction that the sector remains resilient and structurally supported, and that Southern Europe remains a top destination for long-term institutional capital.

Chronic undersupply, demographic shifts and urbanisation continue to underpin demand for rental housing across Europe, particularly in Southern Europe where immigration and a growing younger population are amplifying these trends. In Spain, sustained rental growth is creating attractive conditions for long-term income and value.

M&G has committed to the development of an affordable BTR scheme in Madrid, located in Valdebebas, one of the city's most in-demand residential districts. The project benefits from proximity to major urban infrastructure, including the Ciudad de la Justicia, the IFEMA convention centre expansion and Hospital Enfermera Isabel Zendal, as well as excellent connectivity to major highways, the airport and the future extension of Metro Line 11. Upon completion of the project in December 2026, rental prices will be regulated to remain significantly below prevailing market rents, to ease affordability pressures and address the city's urgent residential needs.

M&G has also committed to purchase a newly developed living asset in Barcelona – one of Europe's top 10 student cities. The scheme will provide units to students, tourists and workers seeking accommodation on a short to medium term basis. Close to main business schools and Barcelona's main university campus, making it ideal for professionals on temporary assignments. Delivered on Q1 2026, the building will include communal areas catering to both leisure and work needs.

Both assets meet top ESG standards, with BREEAM² "Excellent" certification for the Barcelona development and BREEAM "Very Good" for the Madrid schemes, alongside a WELL³ Platinum rating for Barcelona.

¹ As of end of June 2025

² Find out more about BREEAM framework here <https://breeam.com/about/how-breeam-works/>

³ Please visit <https://v2.wellcertified.com/en/wellv2/overview> for more information. Ratings should not be taken as a recommendation.

Federico Bros, Director of Investment and Asset Management for M&G Real Estate Iberia, said: “These acquisitions exemplify our ability to secure unique opportunities to access high-demand residential markets, from living in Barcelona to affordable BTR in Madrid. With these two highly sustainability focused assets, we are targeting long-term, inflation-resilient income, while partnering with best-in-class developers and operators.”

Simon Ellis, Fund Manager of the M&G European Property Fund, added: “As the real estate cycle turns, Living is emerging as an important income engine for institutional portfolios, and we have significantly increased our exposure to this sector as a consequence. Southern Europe offers compelling fundamentals – undersupply and demographic growth - making Spain a core market for investors seeking durable returns and inflation protection.”

These assets expand M&G’s Living portfolio in Iberia, which already includes two schemes in Bilbao and Valencia and two in Lisbon, bringing M&G’s Living assets under management in the region to €510 million.

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