

Media Release

Allianz partners with Greystar and PSP Investments to grow London student housing platform

22 June 2018, Munich / Paris – Allianz today announces a new initiative as part of its diversification strategy that significantly increases its exposure to the student housing sector and the UK market.

Allianz Real Estate, the global real estate investment manager of Allianz Group, has partnered with Greystar Real Estate Partners (“Greystar”), the global rental housing leader and the Public Sector Pension Investment Board (“PSP Investments”), one of Canada’s largest pension investment managers in a joint venture to grow Chapter, London’s premier student accommodation brand.

The equity investment volume of the transaction that Allianz Real Estate is executing on behalf of various Allianz insurance companies, stands at around GBP350m.

Allianz is acquiring an interest in Chapter alongside PSP Investments and Greystar’s current stake. This partnership supports an expansion programme that will double the size of the portfolio to 10,000 student beds within five years. The partnership’s strategy is to continue to improve the operational quality of the assets and build the Chapter brand.

Greystar will continue to manage this portfolio, which currently comprises 5,100 student beds in 10 central London locations, including Aldgate, Islington, King’s Cross, South Bank and Spitalfields. Chapter White City in west London, the newest addition to the Chapter portfolio, will launch in September 2018.

“This joint venture with Greystar and PSP Investments underlines our strategic commitment to scale up our global allocation to high-quality student accommodation in established markets”, said Olivier T eran, CIO of Allianz Real Estate. “We look forward to playing a key role in supporting the partnership’s

ambitious expansion plans and to making additional investments in the sector across the board.

“This transaction is particularly important for Allianz as it also marks our largest equity investment into the UK, which has become an increasing focus for us across the capital structure. We will continue to explore opportunities to increase our footprint in the UK as part of our global diversification strategy.”

The joint venture marks a milestone in a series of transactions to build Allianz’s UK footprint. Recently, the lending business of Allianz Real Estate has significantly increased its exposure through several transactions, including construction finance for 80 Fenchurch Street in April 2018, provisioning of long term debt worth GBP212 million to refinance 55 Baker Street, London in September 2017 and co-financing the iconic CityPoint Tower earlier in the year. On the equity side, building on an existing exposure to the student housing sector in the UK via Unite’s USAF since 2015, Germany and the US, Allianz announced in April 2018 its partnership with Scape Australia to establish “Scape Australia JV 2”, an AUD-denominated, closed-ended fund targeting the purpose-built student accommodation market in Australia.

In this transaction, Allianz was advised by Savills and Herbert Smith Freehills.

The transaction is subject to customary regulatory approvals.

Ends

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ABOUT ALLIANZ GROUP

The Allianz Group is one of the world's leading insurers and asset managers with more than 86 million retail and corporate customers. Allianz customers benefit from a broad range of personal and corporate insurance services, ranging from property, life and health insurance to assistance services to credit insurance and global business insurance. Allianz is one of the world's largest investors, managing over 650 billion euros on behalf of its insurance customers while our asset managers Allianz Global Investors and PIMCO manage an additional 1.3 trillion euros of third-party assets. Thanks to our systematic integration of ecological and social criteria in our business processes and investment decisions, we hold a leading position in the Dow Jones Sustainability Index. In 2016, over 140,000 employees in more than 70 countries achieved total revenue of 122 billion euros and an operating profit of 11 billion euros for the group.

ABOUT ALLIANZ REAL ESTATE

Allianz Real Estate is the strategic real estate organization within the Allianz Group and a leading international real estate investment and asset manager. Allianz Real Estate develops and executes worldwide tailored portfolio and investment strategies on behalf of the Allianz companies, considering direct as well as indirect investments and real estate loans. The operational management of investments and assets is currently performed in 5 regions, West Europe (Belgium, France, Italy, Luxemburg, Portugal, Spain), North & Central Europe (Austria, CEE, Germany, Ireland, Nordics), Switzerland, USA and Asia Pacific. The headquarters of Allianz Real Estate are located in Munich and Paris. Allianz Real Estate has approximately 56 billion euros assets under management.

ABOUT CHAPTER

Chapter is a market leading student accommodation brand, providing premium student living in the best London locations. Chapter has 5,100 student beds in 10 communities located in London fare zones 1 or 2, near top universities and excellent transport links. Chapter attracts a vibrant resident mix with both domestic and international students from over 105 countries.

Chapter provides a totally unique living experience for students from across the globe. With its exclusive membership system, students who live with us have access to all amenities and events across our London residences, enabling them to build a city-wide community of friends whilst enjoying some of the most extraordinary living spaces in the London student market.

Greystar is a leading, fully integrated US real estate firm and one that thousands of families from around the world trust to provide their children with a home away from home while completing their studies. With over 18 years' experience in the student accommodation sector, Greystar have a long-standing reputation for world class customer service and exceptional quality accommodation.