

Press release

AXA Investment Managers - Real Assets completes forward purchase of 919-unit affordable housing rental portfolio in Madrid for €150 million

AXA Investment Managers - Real Assets ("AXA IM - Real Assets"), a global leader in real asset investments and the leading⁽¹⁾ real estate portfolio and asset manager in Europe, announces that it has completed, on behalf of clients, the forward purchase of a 919-unit affordable housing for rent portfolio in the Madrid region of Spain for €150 million. The portfolio's vendors are Tectum Real Estate, a dedicated build to rent company, and Locare Real Estate, a development company with extended expertise in affordable housing.

The portfolio is spread across seven different assets which are at various stages of their development processes, with one asset already complete and fully occupied, three currently under construction and the remaining three due to imminently commence having already obtained building permits. Due to be delivered between 2020 and 2022, each asset will be transferred to AXA IM - Real Assets upon completion and fully leased. All the units in the portfolio, which will be one of the largest portfolios of affordable housing to be built in Spain, will be offered under the Madrid Community official protected housing regime, VPPB and VPPL⁽²⁾, which supports the provision of housing at affordable rental levels to eligible citizens that meet specific criteria.

Each asset will comprise a mix of one, two and three-bedroom apartments, all purpose-built for the rental market and to a high specification. Tenants will have access to a range of amenities including an on-site concierge, swimming pools, children play areas, private storage units and resident parking. All seven assets are located in consolidated residential areas presenting high demand for affordable housing in the greater Madrid region and benefit from strong transport infrastructure, with easy access to the city's main ring roads and public transport network.

This transaction adds to AXA IM - Real Assets' Iberian residential portfolio, which will now comprise of 2,700 apartments located across Madrid, Barcelona and Lisbon. The acquisition forms part of AXA IM - Real Assets' wider long term strategy on behalf of clients to invest into residential asset classes which it believes are supported by strong demographic drivers, and adds to its c. €20 billion portfolio of residential assets under management spread across 15 countries.

Esther Escapa, Head of Transactions and Development (Spain & Portugal) at AXA IM - Real Assets, commented: "This transaction provides us with a unique opportunity to support the provision of much needed high-quality yet affordable housing in the Madrid region, a market which has historically had low levels of such suitable stock. Despite the current uncertainty caused by the COVID-19 pandemic, we are confident in the resilience of the economic and demographic trends that have underpinned the demand for this type of residential accommodation, allowing us to generate stable long term income on behalf of our clients."

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¹ Source: INREV/ANREV Fund Manager Survey – May 2019 – in terms of assets under management

² VPPB - vivienda protegida de precio básico, translated as 'Affordable Housing subject to Basic Price'; and VPPL - vivienda protegida de precio limitado, translated as 'Affordable Housing subject to Limited Price'

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About AXA Investment Managers

AXA Investment Managers (AXA IM) is an active, long-term, global, multi-asset investor. We work with clients today to provide the solutions they need to help build a better tomorrow for their investments, while creating a positive change for the world in which we all live. With approximately €804 billion in assets under management as at end of March 2020⁽¹⁾, AXA IM employs over 2,360 employees around the world and operates out of 28 offices across 20 countries. AXA IM is part of the AXA Group, a world leader in financial protection and wealth management.

1 Source: AXA IM - Real Assets' unaudited data. All figures as of March 2020.

About AXA IM - Real Assets

AXA IM - Real Assets is part of AXA IM Alts, one of the global leaders in alternative investments with €146 billion of assets under management as of end of March 2020⁽¹⁾, across real estate, infrastructure, private debt, structured finance and hedge funds. AXA IM Alts employs over 700 people located in 15 offices around the world and serve the needs of more than 300 clients from Europe, North America, Asia Pacific and Middle East. We are a global leader in real assets investment with 100 bn of assets under management, the number one property portfolio and asset manager in Europe⁽²⁾, and one of the largest worldwide.

1 Source: AXA IM - Real Assets' unaudited data. All figures as of March 2020.

2 Source: INREV Fund Manager Survey – May 2019 in terms of assets under management

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