

Press release

AXA IM Alts acquires 346-unit Osaka residential portfolio for ¥10.6 billion (c.€82 million)

Acquisition increases AXA IM Alts' Japanese real assets portfolio to c.¥337 billion (€2.6 billion)

AXA IM Alts, a global leader in alternative investments with c. €163 billion of assets under management^[1], has acquired a portfolio of two residential assets in Osaka, Japan, from PGIM Real Estate Japan, the asset management arm of American life insurance company Prudential Financial, for ¥10.6 billion (c.€82 million). The acquisition, made on behalf of clients and through AXA IM Alts' market leading Real Assets platform, which is the leading real estate portfolio and asset manager in Europe^[2], represents the business' 4th investment in Japan this year.^[3]

The portfolio consists of two well-located residential buildings offering a total of 346 studio to four-bedroom apartments for the rental market. The first property, located in the Nishi Umeda district of Osaka, contains 214 apartments with a total lettable area of c. 10,000 sqm. Known as Zeus Nishi Umeda, the high-specification asset boasts bespoke interior design, a 70-space car park and presents a range of floor plans which support a diverse tenant base. Nishi Umeda is an affluent residential area just 1km from Osaka's CBD. It benefits from easy access to the city's thriving retail hub of Shinsaibashi, as well as the key office districts of Umeda, Honmachi and Yodoyabashi new subway station that will deliver city-wide access to commuters is scheduled to open in 2031.

The second asset, Serenite Esaka, comprises 132 prime studio and one-bedroom apartments as well as four fully-let retail units, spread across c. 4,000 sqm of space. Serenite is just a three-minute walk from Esaka subway station, which provides direct access to Osaka's main commercial districts, as well as connecting to a bullet train station with national rail links, making the area popular with frequent travellers.

Osaka has the second highest GDP of any Japanese city (c.¥39 trillion or c.€300 billion^[4]) and a population of 8.9 million^[5]. The city has attracted a number of major global businesses and is a renowned hub for commerce and innovation. Osaka has experienced steady population growth over the past two decades, supporting residential occupancy levels of over 90% since 2008. A number of ambitious infrastructure projects, including a new subway line, are in the pipeline and are expected to support the city's continued economic growth in the years to come.

This acquisition forms part of AXA IM Alts' wider long-term strategy to invest into residential asset classes which it believes are supported by strong demographic drivers. AXA IM Alts has a c.€23 billion global portfolio of residential assets under management spread across 15 countries^[6].

Laurent Jacquemin, Head of Asia-Pacific at AXA IM Alts, commented: "The acquisition of this portfolio presents an exciting opportunity to capitalise on both Osaka's continued population and economic growth, which have been driving the residential market. Both of these well-connected assets have a strong track record of high occupancy and appeal to the city's thriving community of professionals and young families.

“AXA IM Alts has made a number of acquisitions in Japan in the past year, taking our total real assets AUM in the country to c.¥337 billion (€2.6 billion)^[7]. Our recent investment activity in Japan is testament to its residential market’s dynamism and its potential to deliver strong returns for our clients.”

The parties were advised by Alyssa Partners Japan.

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¹ Source: AXA IM Alts unaudited data as of end of June 2021

² Source: INREV Fund Manager Survey, June 2021. #1 largest European managers in total real estate assets under management.

³ Source: AXA IM Alts unaudited data as of end of June 2021

⁴ Source: Annual Report on Prefectural Accounts 2018 of Cabinet Office, published 2021

⁵ Source: Osaka Bureau of Economy, Trade and Industry

⁶ Source: AXA IM Alts unaudited data as of end of June 2021

⁷ Source: Ibid

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About AXA IM Alts

AXA IM Alts is a global leader in alternative investments with €163 billion of assets under management^[1] comprising c.€78 billion of primarily private real estate, c.€74 billion of private debt and alternative credit, as well as c.€11 billion in Infrastructure, private equity and hedge funds. We take a 360° approach to real assets (real estate & infrastructure) investing with c. €110 billion of assets under management in direct opportunities, held indirectly through debt and listed equities and via long term private equity investments into operating platforms. ESG is fully integrated into our investment decision making processes with our responsible investment approach anchored by the three key pillars of decarbonisation, resilience and building tomorrow.

AXA IM Alts employs over 750 people located in 16 offices around the world and serves the needs of more than 350 clients from Europe, North America, Asia Pacific and Middle East. We are the number one property portfolio and asset manager in Europe ^[2], and one of the largest worldwide.

¹ Source: AXA IM data (unaudited). All figures as of 30 June 2021.

² Source: INREV Fund Manager Survey, June 2021. #1 largest European managers in total real estate assets under management.

About AXA Investment Managers

AXA Investment Managers (AXA IM) is a responsible asset manager, actively investing for the long-term to help its clients, its people and the world to prosper. Our high conviction approach enables us to uncover what we believe to be the best global investment opportunities across alternative and traditional asset classes, managing approximately €866 billion in assets as at the end of June 2021. AXA IM is a leading investor in green, social and sustainable markets, managing €568 billion of ESG-integrated, sustainable and impact assets as at the end of June 2021. We are committed to reaching net zero greenhouse gas emissions by 2050 across all our assets, and integrating ESG principles into our business, from stock selection to our corporate actions and culture. Our goal is to provide clients with a true value responsible investment solution, while driving meaningful change for society and the environment.

AXA IM employs over 2,440 employees around the world, operates out of 27 offices across 20 countries and is part of the AXA Group, a worldwide leader in insurance and asset management.

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