

Press release

AXA IM Alts plans to upsize European student accommodation strategy to €1.3 billion having raised €660 million in new capital commitments

- Ambition to grow ESAS into a c. €3 billion PBSA and co-living portfolio by 2031 -

AXA IM Alts, a global leader in alternative investments with €186 billion of assets under management^[1], announces that it has secured c. €660 million of additional capital commitments from a mix of new international institutional and sovereign wealth fund investors, for its European Student Accommodation Strategy (“ESAS”). Subject to several conditions precedent mentioned below, this takes committed equity into the strategy to c. €1.3 billion, as AXA IM Alts looks to increase investment into the high growth European Purpose-Built Student Accommodation (“PBSA”) and co-living sectors.

The strategy has been seeded with AXA IM Alts’ The Boost Society (ex-KLEY Group) platform which comprises a fully integrated student housing & co-living operator and portfolio that was originally formed in October 2019 when AXA IM Alts acquired KLEY Group, a c. 2,900 bed fully integrated French student housing and co-living operator, on behalf of clients. Since then, AXA IM Alts has grown the platform to become one of the leaders in the European PBSA & co-living space, with a high-quality portfolio of c. 8,300 beds across 32 operational residences in Spain and France^[2], with strong ESG credentials. Highlights include an expansion into Spain in 2021, where it operates under the ‘KLEY’ and ‘Campus’ brands, as well as the launch of ‘Hife’, a French co-living residence brand for young workers in 2023. The wider platform was rebranded The Boost Society in 2023. The new capital commitments and seed portfolio transaction are subject to a number of standard applicable conditions precedent, including a works council social consultation process.

The new capital partners are to invest alongside the original investors, who will retain a majority stake in the portfolio once the transaction completes. AXA IM Alts has strong ambitions to continue to grow the platform and strengthen its leadership position in its markets of operation. To achieve this, AXA IM Alts aims to leverage its global operational real estate platform, which benefits from a fully integrated internalised model with established deal sourcing, asset management and development capabilities across Europe.

An additional initial c. 3,900 beds are planned to be delivered across a secured, 10-asset development pipeline that is set to increase The Boost Society Platform portfolio to nearly 12,000 beds by 2028. AXA IM Alts has also identified further additional opportunities to help grow the platform.

ESAS will seek to acquire a mix of standing assets, ground up developments and former-office conversion opportunities, through both asset and platform investments. It will target further growth in its existing markets, and France in particular, while continuing to look at opportunities in core European cities, characterised by a critical shortage of high-quality accommodation relative to rising demand from students and young professionals. This plan will support AXA IM Alts’ ambitions of building ESAS into a c. €3 billion PBSA and co-living portfolio by 2031.

The European PBSA sector is characterised by a significant undersupply of modern, fit-for-purpose student housing in cities anchored by renowned educational institutions, with a 1.2 million-bed PBSA shortfall across Europe’s leading

cities^[3]. Over the past decade, the number of higher education students in continental Europe and the UK has increased by 15% and is projected to grow by a further 10% by 2030/31^[4], while the delivery of new stock remains constrained by a shortage of well-located sites and nuanced regulatory environment across the continent.

Timothee Rauly, Global Co-Head of Real Estate at AXA IM Alts, commented: “The European student housing market continues to benefit from a number of structural demographic and societal tailwinds, which have underpinned its resilience during the recent period of economic volatility. Having proven the ESAS concept by establishing The Boost Society as a leading, high-quality multi-branded student and co-living portfolio since acquiring KLEY in 2019, it is a natural next step to bring in third party capital to accelerate the platform’s growth and capitalise on the sector’s compelling fundamentals.”

Florence Dard, Global Head of Client Group, Alts at AXA IM, added: “The €660 million of third-party capital commitments we have raised from European and Asian Pension and Sovereign Wealth Funds for our European Student Accommodation Strategy (“ESAS”) reflect the quality of the seed portfolio and AXA IM Alts’ strong track record of acquiring, growing and managing alternative Real Estate platforms such as ESAS. This new capital will help drive our ambitions to grow ESAS into a c. €3 billion PBSA and co-living platform by 2031.”

– ENDS –

Source 1 & 2: AXA IM Alts data (unaudited) as of 31 December 2024

Source 3 & 4: JLL, European PBSA: Investing in the future, June 2024

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About AXA IM Alts

AXA IM Alts is a global leader in alternative investments with €186 billion of assets under management^[1] comprising c.€81 billion of primarily private real estate, over €93 billion of private debt and alternative credit, as well as c.€12 billion in Infrastructure and private equity. We take a 360° approach to real estate & infrastructure investing with €126 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 980 people located in 17 offices around the world and serves the needs of over 640 clients from Europe, North America, Asia Pacific and Middle East. We are the number one property portfolio and asset manager in Europe, and one of the largest worldwide^[2]. AXA IM Alts is a business unit of AXA Investment Managers.

1 Source: AXA IM Alts data (unaudited) as at 31 December 2024.

2 Highest-ranked Real Estate Manager in the European Union according to IPE’s Global Top 150 Real Estate Investment Managers, based on total value of real estate assets under management, November/December 2024

About AXA Investment Managers

AXA Investment Managers (AXA IM) is a leading global asset manager offering a diverse range of global investment opportunities in both alternative and traditional asset classes. Through our products we aim to diversify and grow portfolios, while delivering long-term investment performance and value for clients.

AXA IM manages approximately €879 billion in assets, of which €493 billion are categorized ESG-integrated, sustainable or impact. As an established player in responsible investing, we adopt a pragmatic approach with a view to provide long-term value to our clients, our employees and the broader economy.

Part of the AXA Group, a worldwide leader in insurance and asset management, AXA IM employs over 3,000 employees and operates from 24 offices in 19 countries globally.

All figures, as at end of December 2024

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