

Student and micro apartments a high-return asset class within residential

PATRIZIA acquires a 525-unit residential portfolio in Leipzig and Mainz

- ♦ Two properties in Leipzig with 475 student apartments
- ♦ One property in Mainz with 50 business apartments
- ♦ Both cities are growing metropolitan areas with excess demand for residential real estate

Augsburg, 18. April 2018. PATRIZIA Immobilien AG has acquired a residential portfolio with a projected total of 525 student and business apartments in Leipzig and Mainz for EUR 53 million on behalf of a separate account mandate from a large German pension fund. The three properties of the portfolio are located in stable macro and micro locations characterised by a significant excess demand in residential real estate.

Christoph Langmack, PATRIZIA's Head of Acquisitions Residential, said: "Student residences and business apartments generate a relatively stable and attractive return for our institutional clients, offer outstanding risk diversification and are therefore ideal for adding to investment portfolios."

The vast majority of the portfolio rests with the two properties in the university city of Leipzig. One is a new building for student residences on Kurt-Schumacher-Straße, with 229 apartments divided across approximately 5,000 sq m of living space, while the other is an existing building with 246 apartments in Johannisgasse offering around 6,300 sq m of living space. The latter property is to be revitalised and used as student dormitories in the future. With almost 40,000 students, Leipzig is one of the most important educational and research locations in Germany.

The property in Mainz is an existing building on Rheinallee which, once a programme of refurbishment and modernisation is complete, will offer 50 business apartments. The project development is within easy walking distance of some of the city's biggest employers. In addition, the district development of Zollhafen, which will create around 4,000 new jobs in the Rhineland-Palatinate provincial capital, is located in the immediate vicinity.

PATRIZIA has increasingly acquired student dormitories or micro apartments in recent years. In 2017, the company executed transactions featuring around 350 residential units across Hamburg and Münster. The general urbanisation trend combined with the attraction, particularly for students, of a university draws the population to cities. For institutional investors, the result is that B- and C-cities across Europe increase in attractiveness as this segment within the residential asset class offers comparatively higher returns – sometimes as much as 6 per cent – to other areas within residential.

PATRIZIA Immobilien AG:

PATRIZIA Immobilien AG has been active as an investment manager in the real estate market across Europe for more than 30 years. PATRIZIA's activities include the acquisition, management, repositioning and sale of residential and commercial real estate through its own licensed investment platforms. As a global provider of real estate investments in Europe, PATRIZIA operates as a respected business partner of large institutional investors and retail investors in all major European countries. PATRIZIA manages almost EUR 40 billion of real estate assets, primarily as a portfolio manager for insurance companies, pension fund institutions, sovereign funds, savings and cooperative banks and as co-investor. For further information, please visit: www.patrizia.ag.

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