

NEWS RELEASE



Christine Fritz
Co-portfolio manager of
European core strategy
PGIM Real Estate

PGIM Real Estate acquires three prime European offices for European core strategy

London, 7 April 2022 – PGIM Real Estate has completed the acquisition of three centrally located office properties in Amsterdam, Paris and London, on behalf of its European core strategy. PGIM Real Estate is the US\$209.3 billion real estate business of PGIM.

With these acquisitions, PGIM Real Estate’s European core strategy increases its exposure to European office by continuing to allocate strategically to ‘winning cities’ which are experiencing steady population growth and increasing affluence, attracting capital and skilled workforces. Moreover, these acquisitions demonstrate a wider theme at play across the strategy’s office portfolio of targeting rapidly developing ‘live-work-play’ submarkets that have demonstrated sustained rental growth. Typically these submarkets attract young professionals looking for vibrant communities, often present within the city tech clusters.

Christine Fritz, co-portfolio manager of European core strategy at PGIM Real Estate, comments: *“Despite mainstream sentiment, many prime continental European office markets have seen steady rental growth throughout the last 24 months. With expected positive recovery across European economies, we see demand for prime offices stabilising and continued decline in office vacancy rates.*

“As we focus on submarkets with innovation and technology clusters, the locations for these acquisitions were key to the investments. Tech hubs in European cities are continuing to benefit from a growing workforce, as demand remains strong for tech jobs, and workers are drawn by dynamic and vibrant locations. These locations, therefore, benefit from attracting leading global tenants, thus maintaining sustained rental growth and low vacancy rates. Moreover, each office property has strong existing fundamentals with contemporary features, which combined with our focus on improving ESG-credentials, means we see a clear pathway to enhance value across these investments.”

Amsterdam

The office in Amsterdam, *the Warehouse*, is a fully let 6,983 sqm Grade A office building located in the heart of the city. It is fully occupied by a single tenant, a leading software company. Within walking distance of Amsterdam Central Station, the vibrant city location is surrounded by restaurants, hotels, and museums. Amsterdam is evolving into a global centre, which is being increasingly recognised as a leading tech hub and start-up capital. The office market in Amsterdam has been one of the most resilient in Europe with steadily increasing rents and steady vacancy rates, even throughout the pandemic. This historic property was

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MEDIA CONTACT

Sharan Kaur
+44 (0)7866154772
Sharan.Kaur@pgim.com

extensively refurbished to a very high standard in 2017, achieving a BREEAM ‘very good’ certification, and is already operating close to net zero carbon.

Paris

The Paris office is a fully let 2,899 sqm building located on Rue de Taitbout, near the Opéra in the 9th arrondissement, which was historically home to many large financial institutions and international organisations but is now also the epicentre of the French tech scene. Last year, Paris CBD recorded a rebound in tenant demand that drove a solid pace of rental growth, while prime yields moved to historic lows of 2.75% and are expected to stay low going forward^a.

The building benefits from exceptional accessibility, with three metro lines located within 250m and is a 10-minute walk from the Saint-Lazare transport hub. The building has a BREEAM In Use ‘good’ certification.

London

The London property, *C-Space*, is a fully let 5,757 sqm building on the north-east of the City of London, which straddles the traditional banking and finance area of the City, as well as the start-up, tech and creative hub of Old Street/Shoreditch – commonly referred to as the ‘Silicon Roundabout’. The property is well-connected to public transport links – a three-minute walk to Old Street station and a 10-minute walk from Liverpool Street station. The building has a BREEAM ‘very good’ rating, with a clear identified pathway for the building to be net zero carbon ready from an operational perspective.

^a Source: PGIM Real Estate and Cushman & Wakefield

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ABOUT PGIM REAL ESTATE

As one of the largest real estate managers in the world with US\$209.3 billion in gross assets under management and administration¹, PGIM Real Estate strives to deliver exceptional outcomes for investors and borrowers through a range of real estate equity and debt solutions across the risk-return spectrum. PGIM Real Estate is a business of PGIM, the US\$1.5 trillion global asset management business of Prudential Financial, Inc. ([NYSE: PRU](https://www.nyse.com/quote/nyse:pru)).

PGIM Real Estate’s rigorous risk management, seamless execution, and extensive industry insights are backed by a 50-year legacy of investing in commercial real estate, a 140-year history of real estate financing², and the deep local expertise of over 1,100 professionals in 32 cities globally. Through its investment, financing, asset management, and talent management approach, PGIM Real Estate engages in practices that ignite positive environmental and social impact, while pursuing activities that strengthen communities around the world. For more information visit pgimrealestate.com.

¹ As of December 31, 2021, AUM reflected as gross. Net AUM is \$137.9B and AUA is \$45.9B

² Includes legacy lending through PGIM’s parent company, Prudential Financial, Inc

ABOUT PGIM

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