



DEUTSCHE FINANCE INTERNATIONAL

DEUTSCHE FINANCE INTERNATIONAL COMPLETES FIRST FUND EXIT WITH STUDENT ACCOMMODATION SALE

- DFI European Value-Add Fund disposal achieved two years ahead of business plan -

10 December 2019, London. Deutsche Finance International (“DFI”), the London based pan-European private equity real estate investor specialising in operational real estate, announces the sale of Canterbury Student Manor in an off-market transaction to a private investor.

This disposal is the first exit for DFI’s inaugural fund, DFI European Value Add Fund (“DFI EVAF” or the “Fund”), which closed in July this year with €436 million of equity, including co-investment. On behalf of DFI EVAF and its co-investors, DFI has already assembled a portfolio, totalling approximately €1 billion in value, that includes London’s Olympia Exhibition Centre and which is diversified across five European markets.

Since acquiring Canterbury Student Manor in 2017, DFI has undertaken a programme of active asset management to increase occupancy from 79% to 100%, delivering a corresponding uplift in the property’s income profile. This included re-classifying rents, reducing operating cost leakage and focussing on new marketing initiatives while closely working with the property manager. The Fund’s business plan for the asset has been completed two years ahead of schedule, facilitating the sale of the property to a core investor.

Canterbury Student Manor, which was acquired by DFI in an off-market transaction in 2017, is a 386-bed, purpose-built modern student accommodation asset located in Canterbury, in the UK’s south east. The Canterbury market is characterised by an undersupply of modern student housing and the property is located close to both of the city’s main universities: The University of Kent, which has over 19,000 students, and Canterbury Christ Church University, which has a student body of over 16,000.

Gavin Neilan, Co-Founder and Co-Managing Partner at DFI, commented: “To have sold this property two years ahead of our business plan, having already successfully repositioned it for long term investors, illustrates our capacity to actively create value in operational real estate and unlock the full potential of our portfolio. Additionally, the ability to acquire and dispose of this asset off-market, as well as undertaking all asset management activity in house, demonstrates the strength of our outstanding team.”

Paul Nearchou, Director at DFI, commented: “The favourable dynamics we identified as part of our investment thesis that underpin the Canterbury market, including a growing student population and an undersupply of quality accommodation, enabled us to maximise the quality of this property and, ultimately, to crystallise attractive returns on behalf of our investors ahead of schedule.”

DFI EVAF pursues value add research driven investments into small to mid-cap properties and special situations, predominantly in Western European gateway cities. The Fund invests opportunistically across multiple sectors, with a specialisation in operational real estate capturing opportunities from

real estate's evolution to 'space-as-a-service'. DFI typically takes a partnership approach to value creation, working with local partners aligned through co-investment.

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About DFI:

DFI is a London based pan-European private equity firm with over €1.8 billion of assets under management, which specialises in operational real estate. It pursues value add, research-driven investment strategies, transforming under-managed and under-valued assets and operating companies through proactive asset management. The firm acts as the investment adviser to its discretionary funds and co-investment partners, and has a global institutional client base that includes pension funds, insurance companies, financial institutions and family offices.

DFI is independently managed by its founding partners with a dedicated best-in-class team and robust corporate infrastructure. It benefits from being part of the Deutsche Finance Group ("DFG"), a global investment management firm that specialises in private market real estate and infrastructure investments. DFG currently has over €5 billion of assets under management and is headquartered in Munich with offices in London, Denver, Zurich and Luxembourg. DFG is privately owned and regulated by the Federal Financial Supervisory Authority of Germany, BaFin.

For additional information see www.deutsche-finance-international.com

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