



DEUTSCHE FINANCE INTERNATIONAL

**DEUTSCHE FINANCE INTERNATIONAL FORWARD PURCHASES 462 BED
STUDENT ACCOMMODATION ASSET IN LEICESTER**

- Investment capitalises on constrained supply in growing student market-



14 April 2021, London. Deutsche Finance International (“DFI”), the pan-European private equity real estate investor which manages over €2.7 billion of assets and specialises in customer-centric real estate, has agreed to the forward purchase of a 462 bed purpose built student accommodation (“PBSA”) opportunity in Leicester, United Kingdom. The development will be acquired from Watkin Jones plc, one of UK’s leading student accommodation developers, in an off-market transaction for £35.6 million on behalf of DFI’s pan-European Value Add Fund.

The investment is DFI’s second UK PBSA acquisition, following the 2017 purchase of Canterbury Student Manor, a 386 bed student accommodation asset in Canterbury. DFI has also assembled, through both acquisitions and development, a 1,100 unit student accommodation platform in Denmark.

DFI's latest investment is underpinned by strong UK student market fundamentals characterised by increasing demand for higher education (fuelled by rising domestic and international demand); supportive UK demographics; and rising enrolment figures in the near term, driven by Covid-19 and the associated employment market challenges. Furthermore, Leicester is an attractive PBSA investment market with the student population having grown substantially over the last decade to more than 40,000 students, primarily led by growth at the city's De Montfort University. Despite this growth, supply remains constrained with a lack of modern PBSA stock and a limited development pipeline.

Watkin Jones is developing the Leicester property, which is scheduled to complete in time for the 2021/22 academic year and will provide a high quality mixture of four to seven bed clusters and studios of different sizes. Taking into account design learnings from the pandemic, around 3,875 sq ft will be dedicated to modern and spacious amenities including communal areas, study and meeting rooms, virtual gym space, a games room and a landscaped courtyard. The asset is a short walk to Leicester city centre and De Montfort University.

Paul Nearchou, Investment Director at DFI, commented: "This off-market transaction represents a compelling opportunity for us to build on our UK student accommodation exposure and take advantage of the current market dislocation with the acquisition of one of the few newly constructed PBSA assets in Leicester. The outlook for the UK student sector remains strong, with supportive demographics and growing domestic and international demand."

Gavin Neilan, Co-Founder and Co-Managing Partner at DFI, added: "In line with our platform focus on delivering high quality operational real estate with the customer at its centre, we have been invested in the student accommodation sector since 2017 and have continued to increase our exposure in the UK and Europe. Its countercyclical nature has proven defensive against market challenges, while the success of UK's vaccination programme will hopefully see relative normality return in time for the opening of this asset. The UK remains one of our conviction calls, with its status as a world-renowned centre of higher education continuing to attract students from all over the world."

DFI was advised by CBRE, Allen & Overy, Deloitte and Hollis.

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About Deutsche Finance International (DFI):

DFI is a pan-European private equity firm with over €2.7 billion of assets under management, which specialises in customer centric and operational real estate. It pursues differentiated and thematic value add and select opportunistic strategies in order to deliver consistent and superior risk-adjusted returns through deep value investing, capitalising on trends and transforming under-managed and under-invested assets and operating companies through active 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 Frank RoccoGrande and Gavin Neilan with a dedicated best-in-class multidisciplinary team operating across offices in London, Munich, Madrid and Luxembourg. It benefits from being part of the DEUTSCHE FINANCE GROUP, a global investment management firm that specialises in private market real estate and infrastructure investments. DEUTSCHE FINANCE GROUP currently has over €7.7 billion of assets under management and is headquartered in Munich. DEUTSCHE FINANCE GROUP 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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