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Ardian Real Estate raises €1.2bn for second fund

Fundraise underlines the strength in European real estate as Covid-19 pandemic accelerates the evolution in work and lifestyle behaviors, driving new areas for investment

Ardian, a world-leading private investment house, today announces it has raised €1.2bn for its second real estate fund (AREEF II), confirming its leading position at a time of strength for the European real estate market, as changes in the way people live and work drive new investment opportunities.

The fund has a strong and diversified LP base with nearly 100 investors – more than 50 of which are institutional – from around the world, attracting capital from 13 countries across the Americas, Europe, and the Middle East.

The fundraise demonstrates strong investor appetite in the European real estate market, where Ardian has significantly grown its presence in the past five years since the inception of Ardian Real Estate.

Building on progress already made with AREEF I – which attracted more than 50 investors from 11 different countries – this fund will also invest in commercial property assets, mainly in office buildings in strategic locations in Europe.

AREEF II, which met its initial target size, represents an increase of more than 60% on Ardian Real Estate's inaugural fund, AREEF I, which totaled €737m. The fund also saw a re-up rate of 84%.

AREEF II, which is already more than 50% deployed, will invest in assets valued between €50m and €250m, capitalizing on the long-term structural changes of working trends. Ardian Real Estate will use its operational capabilities to transform obsolete assets into "Green+" assets, which means with strong sustainability credentials, answering the new needs of tenants in key city-centers across Europe.

"Companies have been re-thinking ways of working for a number of years, but this shift was accelerated by the pandemic. It brings significant opportunities for real estate investors. Tenants are increasingly demanding high-quality and green spaces in strategic locations with strong sustainability credentials or what we call "Green+" buildings. With our expertise and now proven track record in the market, our "Build-to-Green+" strategy ensures our investments meet the needs of the workforce of the future."

● STÉPHANIE BENSIMON ● HEAD OF ARDIAN REAL ESTATE

Even before the pandemic, corporates were reassessing their workspace needs with a preference for well-located and high-quality spaces to attract talent. Covid-19 accelerated this trend, with companies now upgrading their office footprint to attract and retain talent in spaces fostering innovation, collaboration and social bonding.

Ardian Real Estate is putting sustainability as the core pillar of its investment strategy to match the new tenants needs for workspace having strong ESG credentials and to contribute to create more sustainable cities. Ardian embeds ESG considerations into every stage of their asset lifecycle. As a leading European player, the team strives to constantly imagine the future of offices and be at the forefront of the market in this field. "Green+" buildings emit on average 40% less CO₂ than other office assets on the market. Our carbon reduction trajectory is in line with the 1.5 degree Celsius target set by the Paris agreement in 2016.

The fund has already successfully deployed significant amounts of capital, with more than half of the fund invested or under investment in the core markets of France, Germany, Spain and Italy:

- AREEF II has already performed 11 transactions, including one exit
- AREEF II manages over 230,000sqm across 8 European cities

"Not only does this fundraise show the resilience of European real estate, it is a significant moment for Ardian Real Estate. Following the success of our investments from the first fund, delivering strong returns to our investors, this second-generation fund has seen an even stronger response from investors and we see significant opportunity for creating value ahead."

● STÉPHANIE BENSIMON ● HEAD OF ARDIAN REAL ESTATE

The Real Estate team counts 21 investment professionals located across four offices. In 2021, Ardian strengthened the team with the appointment of four new Managing Directors: Matteo Minardi in Italy, Sébastien Bégue and Omar Fjer in France and Nico Rheims in Germany.

ABOUT ARDIAN

Ardian is a world-leading private investment house with assets of US\$120 billion managed or advised in Europe, the Americas and Asia. The company is majority-owned by its employees. It keeps entrepreneurship at its heart and focuses on delivering excellent investment performance to its global investor base. Through its commitment to shared outcomes for all stakeholders, Ardian's activities fuel individual, corporate and economic growth around the world. Holding close its core values of excellence, loyalty and entrepreneurship, Ardian maintains a truly global network, with more than 800 employees working from fifteen offices across Europe (Frankfurt, Jersey, London, Luxembourg, Madrid, Milan, Paris and Zurich), the Americas (New York, San Francisco and Santiago) and Asia (Beijing, Singapore, Tokyo and Seoul). It manages funds on behalf of more than 1,200 clients through five pillars of investment expertise: Secondaries, Direct Funds, Infrastructure, Real Estate and Private Debt.

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