

6 December 2021

Deal News: AXA IM Alts acquires 400-bed student accommodation development in Florence, Italy, for c. €40 million

AXA IM Alts, a global leader in alternative investments with €168 billion of assets under management^[1], announces that it has agreed to acquire, via a forward-purchase agreement, a c. 400-bed purpose built student accommodation ('PBSA') scheme in Florence, Italy for c. €40 million. The acquisition has been made on behalf of clients of AXA IM Alts from CDS Holding, who has been retained as the developer for the project. CRM Students, the Pan-European student housing specialist, has been appointed as the asset's operator.

With all planning permissions obtained and construction already underway, the asset is due to complete in 2023, and will comprise c. 400 fully equipped studio rooms across six floors. The building will offer a range of high-quality amenities and communal spaces, including a gym, cinema, and games room, in addition to shared lounge and kitchen areas and a lobby. Students will also benefit from a number of outdoor spaces, including a landscaped courtyard garden and a rooftop terrace, while also having access to plentiful parking spaces via an underground car park. The building is being developed in line with AXA IM Alts' global sustainability strategy and will target either BREEAM or LEED Gold sustainability certifications.

The asset is adjacent to the University of Florence's new Novoli campus and borders a 10-hectare public park, while the city centre is easily accessible via a ten-minute tram ride. With a population of c. 62,000 domestic and international students, including c. 23,400 'mobile' students requiring suitable accommodation^[2], Florence is a key Italian hub for higher education, but suffers from a chronic undersupply of purpose-built student accommodation with just four beds available for 100 students, strongly positioning the asset to capture this excess demand^[3].

This transaction represents AXA IM Alts' first PBSA acquisition in Italy and leverages the business' deep-seated residential expertise and local market knowledge, with AXA IM Alts managing c. €25 billion^[4] of residential assets globally, including c. €3.5 billion of student accommodation assets, spread across 15 countries^[5].

¹ Source: AXA IM Alts unaudited data as of 30 September 2021.

² Source: UrbiStat: market analysis for a new student housing development project (May 2019)

³ Source: UrbiStat: market analysis for a new student housing development project (May 2019)

⁴ Source: AXA IM unaudited data as of September 2021 (including assets in development)

⁵ Source: AXA IM Alts unaudited data as of 30 September 2021.