



P R E S S R E L E A S E

FOR IMMEDIATE RELEASE

CBRE GLOBAL INVESTMENT PARTNERS AND MADISON INTERNATIONAL REALTY PARTNER WITH AZORA TO LAUNCH €750M SPANISH RESIDENTIAL VEHICLE

Madrid, 10 September 2018 – CBRE Global Investment Partners ('CBRE GIP') and Madison International Realty ("Madison") on behalf of their clients have created a €750 million of equity Spanish Residential Joint-Venture with Azora, to invest in over 10,000 dwellings and lead the Spanish residential rental market. The venture starts with a 6,458-unit rental portfolio with a gross asset value of €870 million.

The vehicle arises from the recapitalisation of Lazora, another vehicle built and managed by Azora, and comprises 65 primarily mid-market apartment block buildings with 6,458 units of which approximately 70% are located in and around Madrid, with the balance in other key cities.

Azora, who pioneer the residential rental sector in Spain since 2004, is a Spanish leading investment and asset manager with more than 13,000 rental units under management. Azora will be in charge of further development and management of the vehicle and has taken a minority stake. CBRE GIP and Madison intend to grow the company and

seek further opportunities to invest in the Spanish multi-family housing market with a target to achieve over 10,000-unit portfolio in the next 2-3 years.

With a strong economic backdrop and significant tailwinds, as well as an undersupplied housing market in Spain's major cities, CBRE GIP, Madison and Azora believe the Spanish multi-family housing market remains a compelling investment opportunity.

Alexander van Riel, Head of Continental Europe at CBRE Global Investment Partners, said: "The residential rental market in Spain is very fragmented making this seed portfolio and its critical size unique to act as a major consolidator in the sector. This investment is in line with our key strategy – to focus on urbanization and demographic trends in supply constraint markets – and increases the CBRE GIP residential sector exposure in Europe to over €2.5 billion."

Derek Jacobson, Co-Chief Investment Officer at Madison International Realty, commented: "This investment represents a rare opportunity to acquire a large scale, high quality residential portfolio located largely in the Spanish capital. We have a track record of residential investment and management in the US from which to draw on as we look to grow this joint venture. This is our first JV with both CBRE GIP and Azora and is typical of the strong focus we place on building strong relationships with specialist partner firms where we can combine their expertise and local market access with our own real estate discipline and approach."

Javier Rodriguez-Heredia, Partner of Azora and Head of Residential, explained: "We have kept this 6,458-unit portfolio under rental for 15 years, providing living solutions to thousands of families. Instead of liquidating and selling these units, with this strategic partnership, we have not only found a way to keep the units available for the families, but we will also increase the supply by continuing investing in new rental product. We have created a unique investment platform to lead the future of the Spanish residential rental market by combining CBRE GIP and Madison's robust investment capabilities with Azora's leading skills in investing, managing and operating residential portfolios. It is key to encourage the creation of this type of platforms, which devote long term resources to longstanding rental product supply. This is the only real way to alleviate the rental market tensions that have recently appeared in the Spanish market due to the unbalance between a highly growing demand and a shrinking supply".

CBRE GIP and Madison were advised by Jones Day, Perez Llorca, PwC, Howden, CBRE, Arcadis and Knight Frank, while the vendor was advised by Kempen, Freshfields and Deloitte.

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About CBRE Global Investment Partners (“GIP”)

CBRE Global Investment Partners (“GIP”) is a division of CBRE Global Investors that delivers investment solutions customized for clients’ individual objectives, using private funds, club deals, secondaries, co-investments and programmatic ventures, partnering with leading operators for each strategy. Investments cover the risk spectrum from core to enhanced and use a variety of investment vehicles based on clients’ preferences. GIP had equity AUM of \$21.3 billion at December 31, 2017. Clients invest via separate accounts, which have a regional or global remit, and GIP’s pooled funds. Pooled solutions include a global perpetual core fund and regional enhanced return funds. Notes: CBRE Global Investment Partners Limited is authorised and regulated in the United Kingdom by the Financial Conduct Authority (FCA).

About Madison International Realty

Madison International Realty (www.madisonint.com) is a leading liquidity provider to real estate investors worldwide. With approximately \$3.8 billion AUM, Madison provides joint venture and preferred equity capital for real estate owners and investors that are looking to de-lever their properties; seek an exit strategy; or where existing sponsors seek to sell a portion of their ownership position. The firm provides equity for recapitalizations, partner buyouts and capital infusions; and acquires joint venture, limited partner and co-investment interests as principals. Madison focuses solely on existing properties and portfolios in the U.S., U.K., and Western Europe. Madison has offices in New York, London and Frankfurt, Germany, where the firm operates under the name of Madison International Realty GmbH.

About Azora

Grupo Azora (hereinafter “Azora”) is a leading Spanish independent asset manager, founded in 2004 and with more than €4,400 million of assets under management. Azora manages various vehicles such as Hispania, Carey or the

different residential portfolios through its subsidiary Azora Gestión S.G.I.I.C., S.A., a regulated asset management company under the supervision of the Spanish Stock Exchange regulator (CNMV). Azora's platform is one of the largest in Spain, with a team with more than 200 professionals with extensive experience across the Real Estate value chain, including deal origination, structuring and investment, new developments and repositioning, asset and property management as well as disposal of individual assets or portfolios. Azora is specialized in four assets classes: residential, hotels, offices and student housing. Azora currently manages the biggest volume of dwellings under rent in Spain, more than with 13,000 dwellings and the biggest hotel portfolio under rent in Spain, with more than 14,500 hotel rooms. (www.azora.es)

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