Allianz Real Estate
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Allianz Real Estate's European debt program closes record 2021 with multiple flagship transactions in France

Munich/ Paris. 21 January 2022

Allianz Real Estate, acting on behalf of several Allianz Group and third-party companies, delivered c. EUR 2.2 billion in new loan production in Europe across 2021, the highest annual volume for the firm in Europe to date. The record financing volume, split roughly equal between core and transitional loans, means overall assets under management in its European debt portfolio exceeded EUR 11 billion at the end of the year.

The firm's financing platform continues to be active in 12 European countries, diversified across the office, logistics, residential and retail sectors. Around two thirds of the EUR 2.2 billion in new loans in 2021 were eligible to be classified as 'green loans', underscoring the increased focus on sustainability and ESG criteria across Allianz Real Estate's debt business. This strategic priority supports the firm's overall ESG program and its decarbonization target to be net zero by 2050.

Allianz Real Estate concluded the year with multiple transactions in one of its historically core markets, France, in particular Paris. The firm provided an acquisition facility for an office campus in Paris-Meudon and EUR 95 million financing to the ICAWOOD fund for an office acquisition and refurbishment in Paris-Clichy. These loans were in addition to the EUR 466 million loan to a consortium of borrowers for the refinancing of a prime retail portfolio, predominantly located in Paris and Brussels, the largest European debt deal for Allianz Real Estate in 2021. A EUR 127 million green development loan was provided to the French group Apsys for the construction of a future-fit and state-of-the art retail and lifestyle center in Grenoble.

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Further Paris exposure was added earlier in 2021 through a major facility to JP Morgan AM and Altarea Entreprise for the acquisition and redevelopment of seven office assets near Opéra Garnier.

The increase in transitional and development financing, as well as the increase in ESG-eligible green loans, was a deliberate strategic decision of Allianz Real Estate to finance more future-oriented assets. In particular, this includes assets with a clear focus on sustainable operations and qualities such as superior user experience.

Qualifying green loans in 2021 included EUR 161 million to Canary Wharf Group for the financing of 10 George Street in Canary Wharf, London – Allianz Real Estate's first single-asset Private Rented Sector (PRS) debt transaction in Europe. Further transactions included the EUR 300 million loan to Arminius Group for the acquisition of the Grand Campus in Frankfurt; and a GBP 240 million facility to BentallGreenOak to support the development of a build-to-core portfolio of eight prime logistics assets in the UK.

The year also saw the successful increase of third-party volume under Allianz Real Estate's Luxembourg-based European debt fund, PAREC. New third-party capital flows into the fund from BVK and a further likeminded investor group reached EUR 610 million for the year, bringing total third-party commitments to almost EUR 1 billion for investing alongside Allianz.

Roland Fuchs, Head of European Real Estate Finance at Allianz Real Estate said: "2021 was the strongest year yet for us in terms of new loan production, and we expect continued demand in 2022 across our 12 markets given the firm's unparalleled positioning in Europe and our deep funding appetite. The ongoing evolution of our Luxembourg debt fund also underscores the success of our 'invest alongside Allianz' client approach.

"Our disciplined focus on prime assets, borrowers and sponsors as well as our best-in-class ESG approach has enabled us to enhance our diversified, high-quality debt portfolio and deliver

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significant growth in 2021. We remain one of the few lenders able to provide large-scale financing, from EUR 100 million to over EUR 500 million, to major borrowers and institutions across multiple sectors. Looking ahead, we expect ESG factors to grow further in significance and we are very well positioned to meet this market need."

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Source: Allianz Real Estate, data as at 30th September 2021.

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