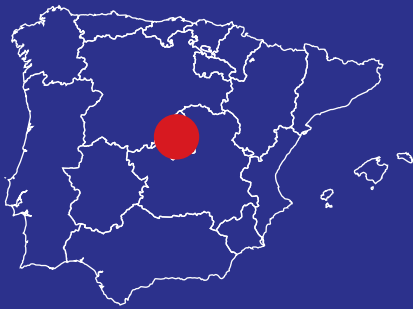


DEAL OF THE YEAR IN SPAIN

## DWS – PLAN VIVE PROJECT



LOCATION:

Madrid

SECTOR:

Affordable Housing

DATE:

Q1 2023

BUYER:

DWS

SELLER:

Culmia

INVESTMENT VOLUME:

€250M



DWS has secured a deal to acquire a 50-year concession over a portfolio of 12 buildings with 1,763 residential units in Madrid metropolitan area. This investment in Plan Vive positions DWS as the first final investor to enter affordable housing, at a moment where only developers were invested.

Plan Vive is an initiative of the Madrid Regional Government ("MRG") to develop affordable housing and satisfy an existing relevant population need. Plan Vive launch was composed by 12 plots within the metropolitan area of Madrid (1 asset in San Sebastián de los Reyes, 1 asset in Tres Cantos, 2 assets in Alcorcón, 2 assets in Alcalá de Henares and 6 assets in Getafe).

Culmia was assigned with the concession in 2021 and in 2023 signed a forward agreement with DWS, by which the buildings will be developed by Culmia and transferred to DWS in the practical completion phase, which is expected to happen in December 2024.

This is a disruptive deal in Spain which joints several factors:

- Public and private collaboration, between Madrid Regional Government and well-

known real estate companies such as Culmia (developer) and DWS (investment & asset manager).

- Covering a society need for rental spaces, with strong population increases in large cities and with a scarce, obsolete, and low-quality supply (only 4% institutional).
- ESG impact: rental dwellings at a large discount below market rents and highly affordable effort rate vs. the standard effort rates for free market BTR, therefore, Social impact is a reality. There is also a strong Environmental impact by using the innovative methodology of modular construction provided by Avintia (having built a factory specifically for Plan Vive), and a high level of environmental credentials with the possibility to reach Breeam Excellent certification.
- In terms of the profitability of the investment, it implies the acquisition of a large affordable rental residential portfolio, with a secure and counter cyclical cash flow (rents below market), inflation hedging benefits and returns well in excess of indexed-linked bonds.