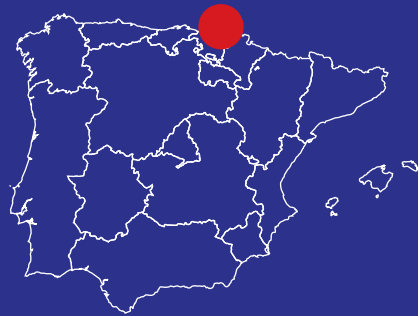


DEAL OF THE YEAR IN SPAIN

M&G REAL ESTATE – PROJECT ISLAND



LOCATION:

Bilbao

SECTOR:

Build to Rent

DATE:

Q3 2023

BUYER:

M&G Real Estate

SELLER:

Grupo Urbas

INVESTMENT VOLUME:

€98M

The Project Island deal represents an ambitious residential rental project developed by M&G's European Living Fund. This is the first acquisition carried out in Spain by the fund, which seeks to respond to an existing high demand for housing due to a very strong growth in the household creation.

Project Island, located in Bilbao's Island of Zorrotzaurre, is part of a large urban regeneration operation in Bilbao, comparable to other international projects such as Canary Wharf and Docklands. It represents a comprehensive and sustainable plan, designed by Zaha Hadid Architects, which recovers a currently degraded industrial area to turn it into a new neighborhood, well connected to the rest of the city, with services and facilities that the city demands. This intervention includes accessible residences, non-polluting business areas, numerous social and cultural facilities, as well as large leisure areas.

The urbanization project faces important technical challenges such as solving the problem of flooding that can be caused by the tides of the estuary. To this end, two solutions are being provided, mainly based on the elevation of a large part of the island with landfills, as well as the development of a protection wall together with two subway storm tanks, in charge of storing the water coming from the tides, and then draining it when the tide is low.

The project is a Build to Rent Development of residential units classified as Free Housing. It will consist of 314 units distributed in two buildings, underground parking and retail area on the ground floor.

In terms of sustainability and energy efficiency, as well as ESG criteria, the project is a clear benchmark for the practices carried out, obtaining a Breeam Very Good certification, which can be upgraded based on possible investment through the construction period. The building meets the requirements to be considered nZEB (nearly Zero Energy Building).

