



KAJIMA EUROPE AND GRIFFIN REAL ESTATE PARTNERS BUY STUDENT DEPOT POLAND'S LARGEST PROVIDER OF PRIVATE STUDENT ACCOMODATION FROM OAKTREE CAPITAL MANAGEMENT

Student Depot which by September 2019 will operate 2,000 beds across five sites in Poland was purchased in a transaction worth over €60 million representing half of the Polish Purpose Built Student Accommodation market

09 May 2019 – Kajima Student Housing Limited (“KSH”), a wholly owned subsidiary of Kajima Europe and part of Kajima Corporation, the leading Japanese real estate investment, development and construction company, has, in partnership with Griffin Real Estate Partners (“GRE”) acquired Student Depot, Poland’s largest provider of student accommodation, from Oaktree Capital Management (“Oaktree”).

Student Depot, which by September 2019 will operate 2,000 beds across five sites in Poland, representing half of the Polish Purpose Built Student Accommodation (PBSA) market, was purchased in a transaction worth over €60 million.

The deal was made in a 90:10 joint venture with entities controlled by GRE, the largest real estate investment manager in CEE, and from entities indirectly controlled by Oaktree, the global asset management firm specialising in alternative investment strategies.

The business was originally set up by GRE and Oaktree in 2015 has evolved to become the largest owner and operator of PBSA in Poland, and is the fastest growing provider in the country. It is set to open new sites in Gdansk in 2020, with multiple additional sites in Warsaw, Krakow and Wroclaw identified for delivery in 2021/2022 and beyond. The Warsaw based student housing business currently owns and operates approximately 1,550 beds with sites in Poznan, Lublin, Wroclaw, and Lodz, with a further circa 500 being delivered this summer in the capital.

Poland is the sixth largest student market in Europe with 1.5 million domestic students, in addition to a strong and growing international body of students representing over 5 per cent, increasing 15 per cent year on year. However, the market for PBSA in Poland is in the early stages of its development, compared to more mature markets such as the UK and Germany and represents a comparatively new but high growth potential asset class.

Existing PBSA bed capacity is extremely limited, with the significant majority in the form of ageing Soviet-era dormitory blocks, and a limited number of private apartments. By contrast, the UK as the third largest market in Europe, with circa 2.4 million students, has over 600,000 PBSA beds. A recent joint study by Colliers International and CMS has revealed that most major CEE cities will face a significant shortfall in student accommodation by 2028, with Warsaw having the highest deficit. Indeed, Poland was surveyed as the most popular market for both existing investment activity in student property, and in future activity, owing to this shortfall.

This acquisition by KSH in partnership with GRE offers a high growth investment for the business, and comes with a significant development pipeline in the coming years.

John Harcourt, Director of Kajima Student Housing, commented: “The acquisition of Student Depot is a key strategic investment for Kajima Europe in a new sector for the business, albeit in a country we know very well. Poland is a high growth market for PBSA, and we are attracted by both the quality of the assets and the strength of the business’s management team. We are also excited to be

working alongside a partner of such pedigree like Griffin Real Estate. We consider this to be a landmark deal for Kajima Europe and we will continue to look for further opportunities not only in Poland but across the continent.”

Nebil Senman, Managing Partner at Griffin Real Estate, commented: “In recent years, the interest in high quality accommodation has increased among international as well as domestic students, with only around 1% of students having access to purpose built space in Poland. With Student Depot, Griffin Real Estate created the market leader in the Polish student housing sector offering premium and modern student accommodation facilities. We are very proud to have the opportunity to create a new joint venture with Kajima and sharing the vision to further develop Student Depot and capitalise on the strong market fundamentals and latent demand for student accommodation.”

Jolanta Bubel, CEO at Student Depot, commented: “Student Depot has grown into the largest and most recognisable PBSA brand in Poland, and we have commenced an ambitious development programme to continue this growth to capitalise on the demand from our customers for high quality accommodation. Kajima and Griffin are committed to support the business’s expansion, and we are excited to be able to take the company forward into its next phase of development.”

For more information see www.studentdepot.pl

Legal advice was provided by Dentons, Weil, Gotshal & Manges, and BCLA; commercial transaction and due diligence advice was provided by Colliers International and Savills, technical advice by APP and tax and financial advice by Crido and MDDP.

Contact

Sapience Communications – Tel: 0203 195 3251

Richard Morgan Evans, Pippa Wiltshire, James Gittings

Notes to Editors

About Kajima Europe

Kajima Europe is the European operating company of the Kajima Corporation of Tokyo. Kajima Europe is active across Europe in several real estate-related sectors. Kajima Properties (Europe) Ltd is the primary investment, development and asset management subsidiary for private sector projects and is active in the office, retail and logistics sectors across the UK, Germany, Poland and the Czech Republic. Kajima Partnerships Ltd is a specialist investor, developer and asset manager specialising in public sector partnerships in the UK with AUM of £1.2bn. Kajima Poland and Kajima Czech are General Contractors active in their respective countries. Kajima Student Housing Ltd is the newest subsidiary and focuses on the investment and development of student accommodation across Europe.

For more information, please visit: www.kajima.co.uk

About Griffin Real Estate

Griffin Real Estate is the largest and most active investment manager in private equity real estate in CEE. Created in 2006 by Przemyslaw Krych, Griffin originates and manages private equity type investments into real estate-related companies and assets. Griffin invests on behalf of both its

owners and its renowned international investors. The gross asset value of Griffin-managed investments across nine different platforms exceeds EUR 5 billion. Over the last several years, Griffin has been the most active and innovative investor in the region, introducing several new concepts and formats to the market.

For more information, please visit: www.griffin-re.com