



AZORA LAUNCHES BRISA, A NEW RESIDENTIAL VEHICLE TO DEPLOY WELL OVER €1BN IN THE SPANISH BUILD TO RENT SEGMENT

The strategy aims to take advantage of strong market fundamentals and to leverage Azora's market leadership to develop more than 8,000 build to rent units

Madrid, 31st January 2022. – Azora, the Madrid-based Global private equity real estate manager and Spain's pioneer and largest manager of purpose-built rented residential assets, announces that it has signed an agreement with a global institutional investor to create BRISA, a new vehicle focussed on build to rent residential developments across Spain. The size of the capital raise demonstrates the continued confidence the international investor community has in the long-term performance of the Spanish residential market and in Azora's leading position in it.

Including leverage, BRISA will have an implied total investment capacity of comfortably over €1 billion and will target the development of more than 8,000 units over the next five years. BRISA's strategy will be the same one Azora has implemented since the launch of its first residential vehicle back in 2003, with a primary preference for turnkey projects in long-term strategic collaborations with national and local developers but also complemented by land acquisitions for own-development opportunities, in order to ensure a sizeable and stable rhythm of production of new BTR units. The capital will be deployed across a number of strategic micro-locations in Spain which have been identified as having fundamentals that support purpose-build PRS outperformance. These include locations in and around Madrid, Barcelona, Seville, Malaga, Palma de Mallorca and Valencia, amongst others.

The portfolio will be property managed and leased by Azzam, Azora's wholly owned residential leasing and property management subsidiary, which was established more than a decade ago and currently manages c.15,000 PRS units on behalf of Azora and other institutional investors.

The Spanish residential for rent market is one of the European real estate markets with the largest potential, supported by strong structural tailwinds and with the current deficit of homes for rent estimated at c.2.5 million over the next 15 years. Additionally, the market is currently characterised by fragmented ownership and a low share of professional institutional players, which presents an opportunity for investment



managers with deep local knowledge and understanding to aggregate a large and institutional-quality portfolio.

Azora has a track record of over 19 years of investing in the Spanish residential-for-rent sector, having been the first institutional investor to enter the market in 2003, with the launch of its first BTR vehicle. Azora has managed over €2.6 billion of residential assets on behalf its global client base, across seven different platforms and has firmly established itself as the region's leading investment manager in the sector, proving that with the right strategy and professional management it's possible to attract long-term institutional capital to the rental residential space.

Concha Osácar, Founding Partner of Azora, commented: *"There is still an acute shortage of good quality rental housing in Spain, most notably for affordable accommodation targeting middle income earners. BRISA aims to help alleviate that issue through the delivery of more than 8,000 sustainably developed new homes in the most supply constrained micro-locations across Spain over the coming years. The success of this capital raise demonstrates that international investors continue to recognise Azora as a market leader in Spain in general and in the residential sector in particular."*

Javier Rodríguez Heredia, Senior Partner of Azora and responsible for the Real Estate Vertical, commented: *"Housing is the most important social infrastructure a country has. We're very excited to continue investing in a segment with such a high social impact and which is so important for the wellbeing and development of the younger generations and families in Spain. The affordable rented residential space is key in providing solutions to the real housing needs of this segment of the population, which is having great difficulties in accessing good quality housing and which constitute the social backbone and future of Spain. It's a major challenge which we believe we can address through the collaboration and strategic partnerships with the top Spanish developers."*

Lazard acted as private placement agent for the fundraise and Freshfields Bruckhaus Deringer and Clifford Chance acted as legal counsel.

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About Azora

Founded in 2003, the Azora Group ("Azora") is a leading, vertically integrated, Spanish real estate investment and asset management firm, with c.€5 billion of equity capital committed since its foundation. Over the past 19 years, Azora has grown to over 250 professionals with extensive experience across the spectrum of real estate investing, including sourcing, structuring and investing, new developments and repositioning, asset management, leasing and sale of individual assets or portfolios.

Azora specialises in different types of assets: residential, hotels, logistics, offices, senior homes and renewable energy and is promoting new investment lines in leisure, data centres and infrastructure.

Azora pioneered the rented residential segment in Spain, launching its first BTR vehicle in 2003 and currently managing the largest portfolio of purpose-built rented residential assets in Spain, with c.15,000 units under management. Azora has also pioneered other social-linked segments of the Living space including student housing (where it built out the largest student housing portfolio in Continental Europe ;RESA) and senior living (currently investing in Spain through Adriano Care).

Following its newly created partnership in the USA (Azora Exan), Azora is also finalising the launch of a US Multifamily fund, focused on the Sunbelt States and with a value-add approach. Through Azora Exan, Azora will continue expanding its footprint in the US (where it has owned hotels for a number of years) across the residential, hospitality, logistics and office segments.