

## **Commerz Real acquires student residential complex from Frankfurt School for special fund**

- **New construction of more than 1,100 furnished serviced and student apartments planned with i Live Group**
- **Total investment volume of 226.5 million euros**
- **First investment for Smart Living Europe Fund, others in planning**

Commerz Real capital-management company (Kapitalverwaltungsgesellschaft, KVG) has acquired an existing student residence with 244 units from the private business university Frankfurt School of Finance & Management and will take it over as of January 2<sup>nd</sup>, 2020. It is planned, however, to demolish this building at the beginning of 2021 on the plot of land covering approx. 12,300 square metres at Adickesallee 36–38 in the city's Nordend-West district and through to 2023 to erect a residential complex with 1,133 furnished serviced and student apartments on a leasable area of 39,000 square metres. According to details released by Commerz Real this is currently the largest construction project of its kind in Germany. To this end the company, which is a member of the Commerzbank Group, has entered into a joint venture with the project developer and administrator i Live, which specialises in smart living concepts. The total investment volume amounts to approx. 226.5 million euros. Following completion the property is to be part of the two real estate funds "Commerz Real Institutional Smart Living Fund" and "Commerz Real Smart Living Europe Fund". This is the first investment for the latter fund.

Of the 1,133 units 995 are student apartments. It is planned that 537 of them be publicly-subsidised or rent-capped housing. A further 458 student apartments and the 138 serviced apartments will be leased without any restrictions, meaning they can be leased not only to students but also to teaching staff and commuters, for example. "With the new development we can support the city and Frankfurt School of Finance & Management in providing as much housing as possible to meet people's needs," explains Johannes Anschott, a member of the board of management of Commerz Real. In total there are some 66,000 students in Frankfurt am Main, who make up about nine per cent of the city's population. The number of students has risen sharply since 2010, by more than 20 per cent at the Goethe University and by more than 85 per cent at Frankfurt School of Finance & Management. At the same time the vacancy rate on the Frankfurt apartment market is less than 0.5 per cent.

The residential complex on Adickesallee will have an underground car park with 227 car parking spaces and 977 bicycle stands. Nearly 40 per cent of all the housing units will have a balcony. In addition, it is intended that all the tenants will be able to use a large lobby with a bar and a fitness studio. The plot of land is located right next to the campus of Frankfurt School; the Goethe University Frankfurt and Frankfurt University of Applied Sciences are just a five-minute bicycle ride away. Upon completion the i Live Group will assume responsibility for the leasing and property management. Commerz Real already works together with the company on two student apartment complexes in Darmstadt and Essen. "We are pleased that we are now commencing a third joint project with Commerz Real with the largest planned student and furnished serviced apartment project in Germany and that we are able to contribute our proven i Live operator concept," says Amos Engelhardt, the managing partner of the i Live Group.

The open-ended special AIF (alternative investment fund) "Commerz Real Institutional Smart Living Europe Fund" is to develop a diversified portfolio of ten to 15 residential complexes in European university towns with a total volume of approx. 500 million euros. In this respect some 250 million euros are to be acquired from professional and semi-professional investors. It is planned to attain a BVI return of 4.5 per cent per annum. "Increasing numbers of students, the flexibilisation of the labour market and the rise in the number of single households are driving demand for such apartments throughout Europe," says Anschott. Further transactions are already planned for the coming weeks and months.

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### **Commerz Real Kapitalverwaltungsgesellschaft mbH**

Commerz Real KVG is responsible within the Commerz Real Group for the Alternative Investment Funds for professional and semi-professional investors.

### **Commerz Real AG**

Commerz Real is a subsidiary of Commerzbank AG with more than 45 years of market experience and approximately 33 billion euros in assets under management. The company combines comprehensive know-how in asset management and a broad-based structuring expertise to deliver its signature range of services of fund products focused on tangibles and bespoke financing solutions. The fund spectrum includes the open-ended real estate fund Hausinvest, institutional investment products as well as entrepreneurial participations in real estate, aircraft, regenerative energy and ships. In its role as leasing company of Commerzbank Group, Commerz Real offers tailored equipment leasing concepts along with bespoke financing arrangements for assets such as real estate, big-ticket equipment and infrastructure projects. [www.commerzreal.com](http://www.commerzreal.com)

### **i Live Group of Companies**

The i Live group of companies is one of the leading and most innovative providers of lifestyle apartments in Germany. i Live sees itself as a system service provider that manages its projects from the initial idea through development and construction to operations and service of the location. This overall service also reflects the company's philosophy: The i Live group not only builds buildings, but fills them with life and spirit. For investors, the product is an attractive capital investment, for tenants a real "temporary home" thanks to a comprehensive space and added value concept. On the seller side, the transaction was accompanied by the chancellery Heuking Kühn Lüer Wojtek in Stuttgart. [www.i-live.de](http://www.i-live.de)