

PRESS RELEASE

Aareal Bank launches dedicated team for alternative living financing

- **Headed by Benjamin Walter, the new team will start on 1 October 2023**
- **Student housing and co-living markets show strong growth globally**

Wiesbaden, 28 September 2023 – Responding to rising demand and the growing importance of alternative living concepts, Aareal Bank will launch a dedicated department “Alternative Living”. The new team will be headed by Benjamin Walter, who will join Aareal Bank from Union Investment Real Estate GmbH on 1 October 2023. The new team’s purpose is to further expand the Bank’s financing activities in student housing (purpose-built student accommodation, PBSA) and co-living, leveraging Aareal’s specialist expertise.

PBSA are purpose-built buildings for students, usually located in the vicinity of universities and colleges. Co-living refers to shared housing for a limited period of time, mostly found in urban areas.

“As the number of students at universities and colleges around the world rises, so does the demand for high-quality student accommodation,” said **Bettina Graef-Parker**, Managing Director Special Property Finance at Aareal Bank. “A structural shortage of supply, combined with significant increases in the number of students and their mobility have drawn the attention of project developers and investors alike to this market. As a result, student housing was the only property market segment to see consistently rising transaction volumes in Europe in 2022, reaching a new record high of €12.4 billion.”

Co-living, which is tailored towards the needs of young professionals and the growing population of digital nomads applies the community idea to the residential world. For property investors, this evolution holds opportunities for new rental concepts in which properties are operated by an enterprise that offers its tenants fully equipped flats, shared spaces and additional services in urban locations.

“In Europe, about €1.2 billion has been invested in this emerging market segment since 2020,” **Bettina Graef-Parker** explained, adding: “As the concept is just getting started in many regional markets, we expect dynamic growth, such as we have seen already in the UK and in France.”

Benjamin Walter has extensive experience in commercial property finance and investment, with a particular expertise in operational real estate. Most recently, he headed the Investment Management Hospitality International (ex-DACH) team at Union Investment Real Estate. He now returns to Aareal Bank, having worked in various roles in the Bank’s hotel financing team between 2006 and 2019. Michelle Weiss, who has been jointly responsible for student housing and co-living to date, will thus be able focus on managing the Bank’s hotel financing team. Hotel financings account for 35 per cent of Aareal Bank’s loan portfolio.

Aareal Bank has been offering financing for student housing (PBSA) and co-living properties for some time, and is one of the leading European lenders in this area.

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About Aareal Bank Group – 100 years of Aareal Bank. 100 years of writing success stories.

Aareal Bank Group, headquartered in Wiesbaden, was founded 100 years ago and has since become a leading international property specialist. The Bank uses its expertise to identify trends, challenges and opportunities at an early stage, and to exploit them for the benefit of its stakeholders. Today, it provides financings, software products, and digital solutions for the property sector and related industries, and is present across three continents, Europe, North America and the Asia/Pacific region. Aareal Bank Group's business strategy focuses on sustainable business success, with environmental, social and governance aspects as an integral part of this strategy.

Aareal Bank AG comprises the business segments Structured Property Financing, Banking & Digital Solutions, and Aareon. The Structured Property Financing segment encompasses all of Aareal Bank Group's property financing and funding activities. Here, the Bank supports its clients in making large-volume commercial property investments. The investment properties mostly comprise office buildings, hotels, shopping centres, logistics and residential property, as well as student apartments. In the Banking & Digital Solutions segment, Aareal Bank Group supports businesses from the housing, property management and energy industries as a digitalisation partner – combining extensive advisory services and product solutions with traditional corporate banking services and deposit-taking. Its subsidiary Aareon, the leading supplier of SaaS solutions for the European property sector, represents the third business segment. It is digitalising property management by offering user-oriented software solutions that simplify and automate processes, support sustainable and energy-efficient operations, and interconnect all process participants.