

Allianz Backs BentallGreenOak With Logistics "Green" Development Loan

Allianz Financing Development of 2.4 Million Square Foot Portfolio



BentallGreenOak bought an one million-square-foot development opportunity at Orwell Logistics Park in Felixstowe in January. (BentallGreenOak)

By Paul Norman
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Allianz Real Estate, acting on behalf of several Allianz group companies, has agreed £240 million in debt funding for BentallGreenOak, working with Equation, for the development of a build-to-core portfolio of eight UK logistics assets.

The financing meets the criteria to be classed as a green loan and has been made through Allianz Real Estate's Luxembourg-based European debt fund, the company said.

The 2,388,086-square-foot portfolio is located in Milton Keynes, Felixstowe, Basildon, Bristol and Wembley. The Wembley asset is to in Park Royal in north west London, Europe's largest multi-owned industrial estate with around 1,700 businesses.

Allianz said each of the properties will meet stringent ESG criteria, targeting EPC A and BREEAM Excellent Certification. They will also undergo a Carbon Risk Real Estate Monitor (CRREM) assessment to ensure they are in line with UK decarbonisation and energy reduction pathways. CRREM, it said, is aligned with the requirements of the Paris Agreement to limit global warming to 1.5°C.

BentallGreenOak is a global real estate investment management adviser acting on behalf of 750 institutional clients with approximately \$69 billion of assets under management. The firm, which has offices in 24 cities across 12 countries, is a part of SLC Management, the alternatives asset management business of Sun Life. Allianz Real Estate already has an established lending relationship with BentallGreenOak in the US.

Allianz Real Estate's European debt portfolio grew to €10.6 billion in assets under management as at the end of June 2021, up by around 18% year-on-year, with capital deployed by its European debt fund, PAREC, increasing to more than €4 billion.

Shripal Shah, head of real estate finance UK at Allianz Real Estate, said these will be "core, well-located and sustainable assets catering for a fast-growing market".

Roland Fuchs, Head of European Real Estate Financing at Allianz Real Estate, added that European debt remains a fundamental driver of growth for Allianz Real Estate. "Our expectation is that lending will remain strong as economies recover and new requirements such as ESG mean borrowers look to work with prime partners such as Allianz."

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