

PRESS RELEASE

HINES INVESTS IN THE MANIFATTURA TABACCHI REGENERATION PROJECT IN FLORENCE TO CREATE NEW STUDENT HOUSING AND HOSTEL FACILITIES WITH OVER 500 BEDS

Hines European Value Fund 2 to invest €80 million into one of the most significant urban regeneration projects in Italy.

Milan, 9 December 2021 – Hines, the international real estate firm, has committed an €80 million investment, on behalf of the Hines European Value Fund (HEVF 2) Italy D fund, managed by Prelios SGR, to create a new 16,000 square meter student housing and hostel scheme in the former Manifattura Tabacchi area, in the heart of Florence's innovation hub.

The Manifattura Tabacchi regeneration area is strategically situated in the northwest corner of Florence, just 10 minutes from the historic centre and the Santa Maria Novella station, and 15 minutes from the airport. The area will benefit from the new T4 tram line which, by the end of 2024, will link the Manifattura Tabacchi area to the centre of Florence, shortening commute times to just a few minutes and offering enhanced access to all of the services that the city has to offer.

The wider regeneration area was conceived in 2016 by way of M.T.- Manifattura Tabacchi S.p.A. a joint venture between PW Real Estate Fund III LP, a fund managed by Aermont Capital, and by CDP Immobiliare - a company of the Cassa Depositi e Prestiti Group extends. Spanning 110,000 square meters in total, the former industrial area is being redeveloped through the construction of shared spaces, co-working hubs, cultural areas, offices, apartments, and a hotel, representing one of the most significant urban regeneration projects in Italy.

Closed for twenty years, the project HEVF 2 has acquired is situated within the Manifattura Tabacchi regeneration area and consists of a rectangular block with three structural bays built between 1954 and 1956 carrying a modernist style. Originally used as a sales warehouse, it will be completely reimaged, including new student housing to accommodate more than 400 students as well as over 135 hostel beds. A fifth floor will also be constructed to expand the space available to students with additional rooms and shared common areas. Upon completion in 2024, the project expects to achieve LEED Gold certification ensuring it is designed and completed in accordance with the highest international standards of environmental sustainability and energy efficiency.

The whole regeneration area, which also involves the Superintendency for Architectural Heritage and Landscapes in the province of Florence, aims to preserve the industrial spirit of the historic architecture using contemporary construction methods that are capable of retaining and reflecting the historic significance of the area.

This new university residence will stand out for the quality and rich variety of services that will be offered to students, based on a model of international university campuses, such as classrooms, studios, gym, yoga room, laundry facilities, and movie theatre, as well as common areas equipped for spending time together.

Reflecting the attractiveness of Florence as an international student destination, it has been chosen by more than 40 global universities as its Italian base. As such, it is the city with the highest number of American universities outside of the United States. Its appeal is heightened by Polimoda, ranked among the ten best fashion institutes in the world, which opened its third location in the Manifattura Tabacchi area in January 2020, and welcomes approximately 2,000 students from more than 70 countries each year. Furthermore, in

February 2020, the Florence Academy of Fine Arts moved part of its activities to the Manifattura Tabacchi area, and since March 2020 the Istituto dei Mestieri d'Eccellenza LVMH (IME) is also operating from the area to organise and coordinate international professional training courses.

Thanks to the extensive experience it has acquired in the living sector, Hines will contribute its international and local know-how to the realisation of this project and the wider Manifattura Tabacchi urban regeneration project, while also expanding its student housing presence to Florence, a city with more than 65,000 students, of which c20% are foreign.

Paul White, Senior Managing Director and HEVF 2 Fund Manager at Hines, said: “We are very pleased to have committed an €80million investment to create a new student housing and hostel scheme in Florence. This marks our first investment in these sectors on behalf of HEVF 2. It is in keeping with our conviction in the wider living sector and specifically that the student accommodation market will continue to attract institutional capital across Italy. The wider Manifattura Tabacchi scheme is one with fantastic potential for a mix of uses, and we expect this to have a beneficial impact on our investment over the long-term.”

“We at Hines are extremely satisfied with this investment in Florence, and it once again demonstrates our commitment to the expanding student housing sector throughout Italy.” stated **Mario Abbadessa, Senior Managing Director & Country Head of Hines Italy.** “We firmly believe that the creation of quality experiential spaces for students, will positively contribute to the evolution of a city like Florence. This project represents the third real estate project in Florence for Hines, after investments in Tornabuoni and Corso Italia, confirming Florence’s ability to attract international investors and its significance as a cultural hub. The project represents another significant step in the transformation of the city and we’re proud to be a part of it.”

“We look forward to working with Hines on Manifattura Tabacchi, their investment confirms the attractiveness of the project and of the city of Florence to the highest quality institutional investors. For Manifattura, Hines is the perfect investor, one that brings to the site a great wealth of experience and that shares our ambition of creating a new, contemporary, sustainable centre in Florence, which can complement the historic centre, in which students, artists, makers, and young creative minds can contaminate one another and innovate. This partnership, after the one with Polimoda, exalts the role of education as a force for urban regeneration, and contributes to strengthening Florence’s status among the world capitals of culture and education.” **Giovanni Manfredi, CEO M.T. - Manifattura Tabacchi S.p.A. and Managing Director at Aermont Capital**

Marco Doglio, Chief Real Estate Officer of the Cassa Depositi e Prestiti Group, underlined the operation as follows: "We are particularly satisfied with the Florence initiative in a JV with Aermont Capital and shared with the Municipality, because it corresponds to our vision of urban regeneration as a generator of impact for the territory. At the former tobacco factory, we are delivering a project that can become a model of best practice that brings together the original identity of the place, the architectural value of the area, and the economics of the necessary investment. The transaction concluded today with Hines is fully consistent with the recently presented CDP Strategic Plan, which focuses precisely on the functionalization of properties for the purposes of Social, Senior and Student housing."

Hines has been assisted by DLA Piper, BIP - Studio Belvedere Inzaghi & Partners, Pro Iter P&CM, EY, Yard Reas Group. Progenia S.p.A. served as the advisor on the project on behalf of M.T. – Manifattura Tabacchi S.p.A., the Greenberg Traurig Santa Maria Legal Firm and Maisto and Associates.

Ends

Hines is a privately owned global real estate investment firm founded in 1957 with a presence in 255 cities in 27 countries. Hines oversees investment assets under management valued at approximately \$83.6 billion¹. In addition, Hines provides third-party property-level services to more than 367 properties totaling 138.3 million square feet. Historically, Hines has developed, redeveloped or acquired approximately 1,486 properties, totaling over 492 million square feet. The firm has more than 171 developments currently underway around the world. With extensive experience in investments across the risk spectrum and all property types, and a foundational commitment to ESG, Hines is one of the largest and most-respected real estate organizations in the world.

Since entering Europe in 1991, Hines has grown its European platform to include offices in 16 cities as well as a presence in 62 cities in 13 countries. Hines oversees investment assets under management valued at approximately €21.7 billion and provides third-party property-level services totaling 3.9 million square meters in Europe, in Austria, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Poland, Spain and the United Kingdom.

Visit www.hines.com for more information.

1. Includes both the global Hines organization as well as RIA AUM as of 30 June 2021.

About the Hines European Value Fund 2 (HEVF 2)

HEVF 2 is a euro-denominated, Luxembourg-based investment fund launched in December 2019. Managed by Hines, its objective is to acquire a portfolio of core-plus and value add profile commercial real estate investments throughout the major European markets on behalf of an institutional investor group. Whilst the fund has broad flexibility across sectors, the portfolio is largely focused in Logistics, Residential and Office usages.

HEVF 2 follows its predecessor HEVF 1 (2017 vintage) in continuing the flagship HEVF series for Hines in Europe, alongside the Hines European Core Fund (HECF) open-ended core flagship vehicle.

Manifattura Tabacchi

Manifattura Tabacchi is an ex-industrial complex situated to the west of Florence city centre, composed of sixteen rationalist style buildings, constructed throughout the course of the 1930s, elegantly laid out over a surface area of around 110,000 sqm, creating a variety of squares, streets, and passageways. Following its closure on 16 March 2001, after more than seventy years of productive activity, during which Manifattura Tabacchi employed more than 1,400 people, an ambitious redevelopment project began in 2016 aimed at bringing a new neighbourhood to life, creating a centre for contemporary culture, art, and fashion, one which compliments the historic centre, open to all and connected to the world.

Promoting the Manifattura Tabacchi project is the joint venture established in 2016, owned at 60% by PW Real Estate Fund III LP, managed by Aermont Capital, and 40% by CDP Immobiliare, a company of the Cassa Depositi e Prestiti Group. MTDM - Manifattura Tabacchi Development Management S.r.l. is the development and project management company that oversees the entire redevelopment process.

manifatturatabacchi.com

Hines

MANIFATTURA
TABACCHI

Barabino & Partners

Claudio Cosetti

+39 335 7491 683

c.cosetti@barabino.it

Alice Corbetta

+ 39 340 4557 565

a.corbetta@barabino.it

Noesis

Alessia Rebaudo

+39 349 4423132

alessia.rebaudo@noesis.net

Elisa Puletto

+39 327 0736 315

elisa.puletto@noesis.net