

Principal® announces first close of European data centre fund

Demand drivers, diversification benefits support investment appeal for data centres

23 February 2022 (LONDON) – [Principal Real Estate](#), the real estate investment team for [Principal Global Investors®](#), completed on 18 February the first close of its closed-end fund dedicated to acquiring data centre assets in Europe.

The initial capital raise for the Principal European Data Centre Fund (the Fund) beat its target, reaching €155 million. Subscriptions were received from seven investors, including asset managers, pension funds, and insurance companies located in France, Germany, Spain, and Malaysia. The amount is one-third of the total equity hard cap of €450 million set by Principal for the Fund.

The Fund will focus on manage-to-core data centre assets. At least 60% of the fund will be allocated to the core European markets of Germany, Netherlands, France, United Kingdom, and Ireland, with up to 40% in secondary markets such as Spain, Italy, and Switzerland.

Principal Real Estate has global expertise investing in data centres and closed its first closed-end data centre fund in the United States in June 2021, which was oversubscribed at €471.4 million. Since entering the data centre market in 2007, Principal Real Estate has committed over €1.75 billion in data centre acquisitions and developments¹ and owns more than €1.18 billion in data center REITs².

Paul Lewis, director of European data centres, Principal Real Estate, comments:

“We have been evaluating the European data centre sector for the last 2-3 years, closely watching demand drivers such as advancements in technology and increased data consumption to determine the right time to launch a fund. With the first close being above our target equity raise, we are in a strong position to achieve our goals for the final close and to begin executing on our acquisition plans across Europe. Data centres will remain appealing investment opportunities given their diversification benefits and strong risk/return profile, and we continue to believe there is intrinsic value in standing data centre assets across Europe’s primary and secondary markets given the long-term, structural tailwinds supporting the sector.”

ENDS

¹ As of February 18, 2022

² As of December 31, 2021

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Notes to editors

Data as of 21 February. The data shown above may vary and is subject to change. Any reference to a specific investment or security does not constitute a recommendation to buy, sell, or hold such investment or security.

About Principal Real Estate

Principal Real Estate is the dedicated real estate group of [Principal Global Investors](#), a diversified asset management organization and a member of the [Principal Financial Group](#)[®]. The firm manages or sub-advises €92.9 billion in commercial real estate assets (as of December 31, 2021). The capabilities of Principal Real Estate include both public and private equity and debt investment alternatives.

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