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### **Project ZURICH**

**Long-term senior financing of EUR 42M for the construction and operation of affordable housing in a prime area of Madrid**

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#### **Project description**

Senior financing structured under a **Project Finance** scheme for an affordable rental residential asset located in Valdebebas, one of Madrid's most dynamic areas. The operation is supported by a predictable and stable cash flow thanks to regulated rents and an expected occupancy rate exceeding 97% during the protection period.

The loan is structured for **30 years** with a **3-year principal grace period**, incorporating financial covenants (DSCR) to ensure lender protection.

**Total number of homes:** 251

* **Typologies:**
  + 50 one-bedroom homes
  + 186 two-bedroom homes
  + 15 three-bedroom homes
* **Annexes:** parking spaces, storage rooms and landscaped common areas.

**Simplified Timeline:**

* Construction: Jan 2026 → Mar 2028
* Rental stabilization: Apr 2028 → Sept 2028
* Repayment start: Feb 2029

The financing will be structured with a **Loan to Cost (LTC) of 71%**, ensuring **ample equity coverage**, reducing the risk of the operation.

The investment is backed by an asset in a prime location, with high demand, regulated prices 20%-30% below market, and a liberalization horizon that will significantly increase its value.

**Transaction Details**

* **Sponsor:** SPV ("AssetCo") that groups all assets;
* **Debt amount:** €42M
* **Structure:** Senior secured loan with a 36-month grace period
* **LTC:** 71%
* **Reference rate:** 3m Euribor (% IRS to be determined)
* **Credit margin:** 125 bps
* **Term:** 30 years
* **Grace period:** 3 years
* **Guarantees:** First-ranking mortgage on the asset, land acquired with building license and project in progress.
* **Construction schedule:** Completion in 26 months with stabilized rental in the first 6 months of operation.

**Risk mitigation factors**

* **High equity coverage**The investment vehicle (SOCIMI) contributes approx. €20M of equity, absorbing the first loss and ensuring alignment of interests.
* **Strategic location**Valdebebas combines modern infrastructure, excellent connectivity and structurally higher demand than supply.
* **Urban planning risk eliminated**Land acquired with granted license and approved project in accordance with Law 3/2024 (conversion of office land to protected residential).
* **Predictable cash flows**Affordable rental with expected occupancy >97% during the protection period.

**About the developer**

* The project is promoted by a development group with more than 20 years of experience in the Spanish real estate sector, specialized in the development and management of residential assets in prime and expanding locations.
* Over the last decade, the management team has managed more than 1.1 billion euros in real estate investment, successfully delivering more than 10 residential developments ranging from high-rise homes in prime areas to Build-to-Rent developments and urbanizations with extensive common areas.
* Their solid track record includes the delivery of more than 1,000 residential units and the comprehensive management of projects under different formats, from cooperatives to institutional investment vehicles, always with high quality standards and compliance with execution deadlines.
* This solid track record, together with a multidisciplinary internal structure —which integrates experts in architecture, construction management, finance and legal—, offers debt investors a high degree of security and execution capacity, reducing operational and market risks.

**Next Steps**

* **Confirmation of interest by:** September 30, 2025
* **NDA required** for detailed document review
* **Access to data room and full financial model**
* **Target closing:** November 15, 2025