
Befimmo continues successful asset rotation strategy Disposal of five office buildings in Brussels, in line with IFRS fair value

Befimmo announces the disposal of five office buildings in Brussels for a total amount of around €143 million. In line with the fair value of the properties, these transactions confirm the reliability in these uncertain times of real-estate asset valuations.

Following the Blue Tower transactions announced earlier this year, Befimmo continued its successful asset rotation strategy with the disposal, on the one hand of the Media building and, on the other hand of the Guimard¹, Froissart, Schuman² 3 and Schuman 11 buildings. The group thus realised its target in disposals of €200 million for 2020 and 2021, but further transactions may follow to further optimise its portfolio.

Media is a multi-tenant office building located in the Brussels periphery, and its disposal confirms Befimmo's focus on its core city-centre portfolio. Befimmo disposes of properties that do not fit the strategic framework, particularly on account of their location.

The Guimard, Froissart, and Schuman 3 and 11 buildings are all located in the Leopold district of the Brussels Central Business District. These disposals were made to crystallize their value at an optimum point in the asset life cycle.

The total gross current rent³ of the five properties is currently €6 million.

The overall operation was executed in line with IFRS fair value as defined by the independent real-estate expert. This confirms the reliability of Befimmo's real-estate asset valuations in these uncertain times. Based on investment value it generates an overall net capital gain of some €35 million. The global gross (initial) exit yield is 4.6% and the unleveraged internal rate of return (IRR) amounts to 6.0%.

The proceeds of the disposals will be used to finance ongoing development projects and ensure Befimmo's capacity for growth. The impact on the group's LTV ratio is -3.0% (in absolute terms, as at 30 September 2020). These transactions would bring the average weighted duration of leases⁴ to 7.3 years as at 30 September 2020 (from 7.1 years) and the occupancy rate⁵ to 95.4% (from 94.5%). The impact on EPRA earnings is estimated at -0.18 € per share on an annual basis.

Furthermore, the transactions also confirm investor appetite for the Brussels office market, and its resilience during times of crisis.

"These transactions clearly confirm the resilience of the Brussels office market, the quality of Befimmo's portfolio, and the capabilities of our teams." – Benoît De Blicq, Befimmo CEO.






¹ A 99-year leasehold was granted on Guimard.

² A 99-year leasehold was granted on Schuman 3 and 11.

³ The annualized total of the rents of current leases as at 30 September 2020, not taking account of rents under leases commencing after 30 September 2020.

⁴ The ratio of (i) the sum of the gross current rents from lease agreements for each lease of properties available for lease multiplied by their respective remaining duration as at 30 September 2020 to their next break and (ii) the total gross current rent from lease agreements of properties available for lease.

⁵ The ratio between the estimated rental value of space occupied at 30 September 2020 and the total estimated rental value of properties available for lease.

Media	Guimard	Froissart	Schuman 3	Schuman 11
				
Brussels periphery	Leopold district, Brussels CBD	Leopold district, Brussels CBD	Leopold district, Brussels CBD	Leopold district, Brussels CBD
Multi-tenant In portfolio since: 2000 Renovated in: 2000 Occupancy rate: 99.1% Owner: Befimmo	Multi-tenant In portfolio since: 2001 Redeveloped in: 2017 Occupancy rate: 46.0% Owner: Befimmo	Multi-tenant In portfolio since: 2006 Redeveloped in: 2010 Occupancy rate: 98.6% Owner: Fedimmo wholly-owned subsidiary of Befimmo	Multi-tenant In portfolio since: 2001 Renovated in: 2001 Occupancy rate: 68.9% Owner: Befimmo	Multi-tenant In portfolio since: 1998 Renovated in: 2004 Occupancy rate: 92.8% Owner: Befimmo

Befimmo a Regulated Real-Estate Investment Trust (BE-REIT), listed on Euronext Brussels, is a real-estate operator specialising in office buildings, meeting centres, and coworking spaces. Befimmo Environments are located in Brussels, other Belgian cities and the Grand Duchy of Luxembourg. Befimmo and its subsidiary Silversquare aim to develop a Belux network of interconnected workspaces.

As a company that strives to be responsible, human-centred, and a good corporate citizen, Befimmo offers contemporary office spaces and related services in buildings that are sustainable in terms of architecture, location, and respect for the environment.

By creating added value for building users, Befimmo also creates value for its shareholders. As at 30 September 2020, the fair value of its portfolio stood at €2.9 billion.



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