
Befimmo successfully continues its asset rotation

Granting of a 99-year leasehold on the Blue Tower



Befimmo has reached an agreement, subject to a condition precedent, on the granting of a 99-year leasehold on the Blue Tower for a total amount of about €112 million.

The Blue Tower, located in the Louise area of Brussels, is a multi-tenant office building which entered in the Befimmo portfolio in 2013. The asset was then valued at €78.5 million, which corresponded to a gross initial yield of 6.9%.

At the closing the transaction, executed at fair value, will generate a net capital gain of some €22 million in H2 2020 (based on the investment value). The deal confirms the accurate valuation of Befimmo's properties in these uncertain times. The gross exit yield amounts to 5.3% and the unleveraged IRR on the investment amounts to 7.0%.

The transaction is part of Befimmo's asset rotation strategy in which Befimmo intends to dispose of certain assets that have reached maturity, with a good prospect of crystallization of value. As indicated in the 2020 Half-Yearly Financial Report, other similar transactions may follow.

The operation also confirms the investor appetite for the Brussels office market which is known to be a resilient market in times of crisis.

The proceeds will contribute to the financing of the ongoing development projects and ensuring a capacity for growth. The impact on the LTV ratio is -2.5% (in absolute terms and based on the data at 30 June 2020). It will have an impact on the EPRA earnings forecast¹ of about -€0.04 per share in 2020. Nevertheless, the minimum dividend forecast of €2.24 per share for 2020 announced in the 2020 Half-Yearly Financial Report remains unchanged.

"The Blue Tower is not only benefiting from the compression of property yields observed in the office market but also of the added value Befimmo created during the period of detention. We have made this transaction at the right time in the life cycle of the building and of the overall Befimmo portfolio. It is a clear sign of the resilience of the Brussels office market, the quality of Befimmo's portfolio and the capability of its teams." says Benoît De Blicq, CEO of Befimmo.

¹ For more information, please see the Half-Yearly Financial Report 2020.

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. Those Befimmo Environments are located in Brussels, the Belgian cities and the Grand Duchy of Luxembourg. With its subsidiary, Silversquare, Befimmo aims to develop a Belux network of interconnected workspaces.

As a company that is human, a corporate citizen, and responsible, Befimmo offers its occupants 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 its users, Befimmo also creates value for its shareholders. At 30 June 2020, the fair value of its portfolio was €2.9 billion.



Contact:



Befimmo SA

Caroline Kerremans | Head of IR & Communication
Chaussée de Wavre 1945 - 1160 Bruxelles | 1945 Waversesteenweg - 1160 Brussel
Tel.: +32(0)2 679 38 60 | c.kerremans@befimmo.be | www.befimmo.be