

Important transaction in the apart-hotel sector

On June 27th 2018, Home Invest Belgium has signed an agreement (under conditions precedent) for the takeover of the company **BE REAL ESTATE** S.A., owner of four apart-hotel buildings in Brussels. Apart-hotels propose the rental of furnished apartments combined with the services of a hotel (reception, cleaning, laundry, etc.).

The first building is located at the heart of the European district, Square Ambiorix n°28; the second one is located in the vicinity of the Grand Place, rue des Dominicains n°25. A third building is located avenue de Tervuren n°149 on the Montgomery roundabout. The last building, finally, is on boulevard du Regent, close to the Madou place and the Cirque Royal. In total, 185 new units will be added to the RREC's portfolio.

The portfolio will continue to be operated under the B APARTHOTELS brand by the company BEAPART S.A., beneficiary of a leasehold contract for a duration of 27 years. www.b-aparthotels.com



Ambiorix



Grand-Place



The buildings will be deeply refurbished by the operator in the course of the first year of the lease, with no material impact on their exploitation.

The agreement, which is submitted to conditions precedent, should be materialized before the end of the year. The conventional value of the portfolio has been determined at € 36 million (in line with the independent expert's valuation) and the fix (thus regardless of operational performances of the buildings), "triple net"¹ and indexed rent amounts at € 1,845,000. The acquisition will be financed by credit lines.

Thanks to this acquisition, Home Invest Belgium confirms extending its strategy to the touristic residential sector. A first step towards this segment had already been taken in 2016 with the acquisition of residential holiday homes in the Center Parcs Port Zélande in the Netherlands. This time, the RREC is turning towards urban hotel buildings intended for tourists as well as business men.

The similarity between these investments is their typology which is very close to the classic residential segment which offers the RREC various exit or reconversion options in the long term, as well as long-term triple net leases concluded for these types of buildings.

When the transaction will be realised, the tourist accommodation sector will represent \pm 17% of the portfolio of the RREC. In the end, the Board of Directors estimates that this share could reach up to 25% of the portfolio.

*"Entering into the "apart-hotel" sector allows us to acquire high-quality real estate positions. By definition, hotel localizations are often excellent and very central", comments **Nicolas Vincent**, Chief Investment Officer of the RREC.*

Sophie Lambrighs, CEO, continues: *"The apart-hotel sector is a natural extension of the classic residential sector. The buildings essentially present similar physical characteristics compared to classic residential buildings. The apartments are very often composed of a room, a kitchen, a bathroom and a living/TV room. On the long term, they allow (by means of changing the permit) a resale by unit which perfectly fits within the company's strategy".*

Romain Avril, CEO B Aparthotels: *"The sale of our apart-hotels through the sale of the company BE REAL ESTATE S.A. is a major turning point for the future of the B Aparthotels chain, as it will allow us to focus on the exploitation and to release the financial resources needed for our international development. The overall objective remains to reach 30 residences in operation or in development by 2022. With this in mind, Home Invest Belgium will be a preferred partner, especially in the Benelux region".*

Home Invest Belgium has been advised for this transaction by Lawsquare and Nibelle & Partners. Loyens & Loeff has acted as advisor to the vendors.

¹ The buyer is the only responsible person for the costs, expenses and repairs linked to the buildings (including important repairs like roofs) during the entire duration of the contract



For additional information

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ABOUT HOME INVEST BELGIUM

Since its creation in 1999, Home Invest Belgium has been a Belgian real estate company listed on the stock market and specialised in residential real estate dedicated to the letting market and in certain types of touristic accommodations. As the owner of a portfolio of over € 460 million, it makes quality residential real estate available to its tenants and provides them with professional management services. Home Invest Belgium also develops its own projects to ensure the growth of its portfolio and also conducts regular arbitration on a fraction of said portfolio. The portfolio of the company is spread over Belgium and The Netherlands.

Home Invest Belgium is listed on the Euronext Brussels continuous market [HOMI] and enjoys the Belgian tax status of a Belgian REIT (RREC - regulated real estate company /SIR/GVV).