



HOME INVEST  
BELGIUM

## Financial Results 2017





# Topics

## 1. Company profile & strategy

## 2. Key achievements in 2017

- *Key Figures & Financial Results*
- *Acquisitions*
- *(Re)Development*
- *Property Management*
- *Sales*

## 3. Belgian Residential Market

## 4. Stock performance



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# Company profile





# A strategy based on four pillars - Managing the full cycle of real estate



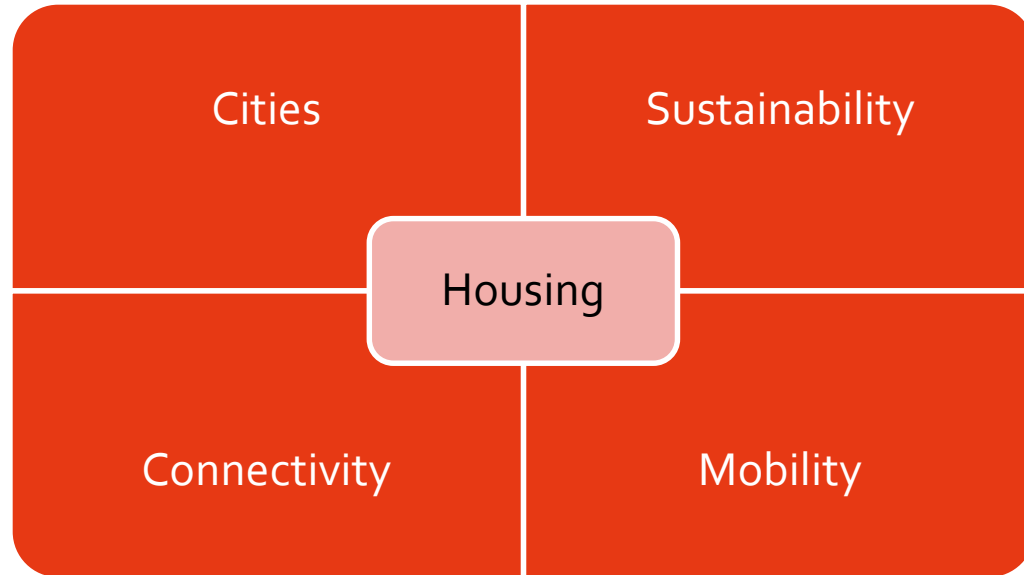


# A strategy based on four pillars - Managing the full cycle of real estate





## A strategy in line with a world full of changes





# Topics

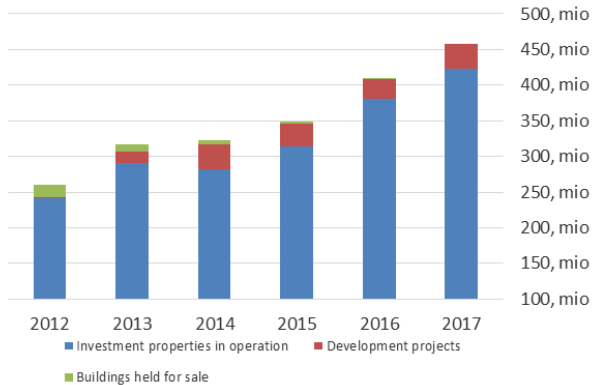
1. Company profile & strategy
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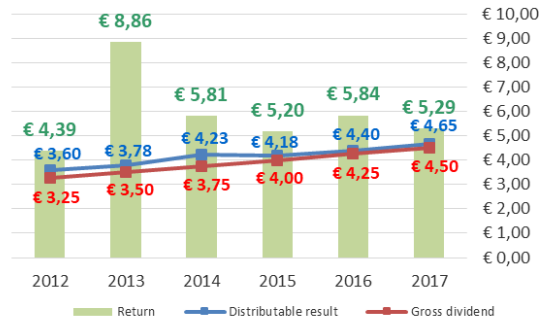


# Key figures

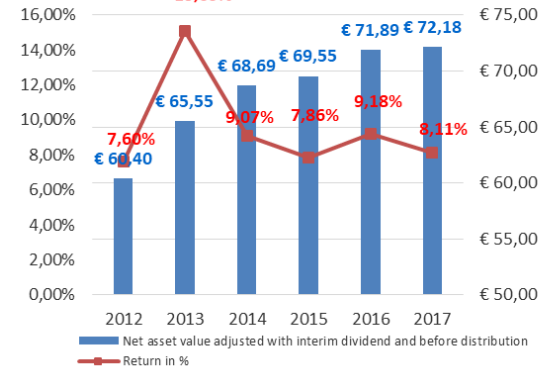
### Evolution of the portfolio



### Gross dividend - distributable result - return



### NAV and return





# Financial Results – Consolidated Results

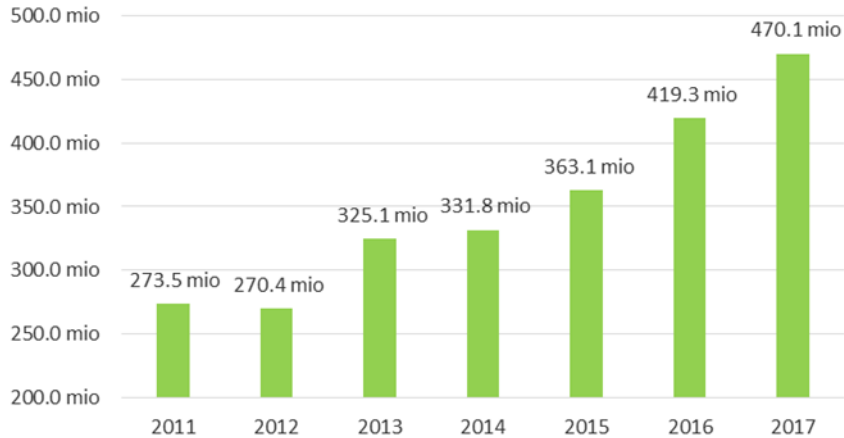
## Consolidated results

	31/12/2017		31/12/2016		
	In € million	Per share - in €	In € million	Per share - in €	
Net rental result	€ 22,50 mio	€ 7,05	€ 18,80 mio	€ 5,97	19,7%
Property result	€ 20,44 mio	€ 6,41	€ 16,84 mio	€ 5,35	21,3%
Operating result before portfolio result	€ 13,79 mio	€ 4,32	€ 11,46 mio	€ 3,64	20,3%
Result on sales (vs last fair value)	€ 0,72 mio	€ 0,23	€ 0,28 mio	€ 0,09	
<i>Distributable result on sales</i>	<i>€ 4,92 mio</i>	<i>€ 1,54</i>	<i>€ 5,43 mio</i>	<i>€ 1,72</i>	<i>-9,4%</i>
Changes in fair value of investment properties	€ 1,45 mio	€ 0,45	€ 11,30 mio	€ 3,59	-87,2%
Operating result	€ 15,96 mio	€ 5,00	€ 23,04 mio	€ 7,32	-30,7%
Net result	€ 13,22 mio	€ 4,14	€ 17,91 mio	€ 5,69	-26,2%
Net result from core activities	€ 9,83 mio	€ 3,08	€ 8,36 mio	€ 2,65	<b>17,6%</b>
Distributable result	€ 14,83 mio	€ 4,65	€ 13,86 mio	€ 4,40	<b>7,0%</b>
Debt ratio	51,82%		48,51%		

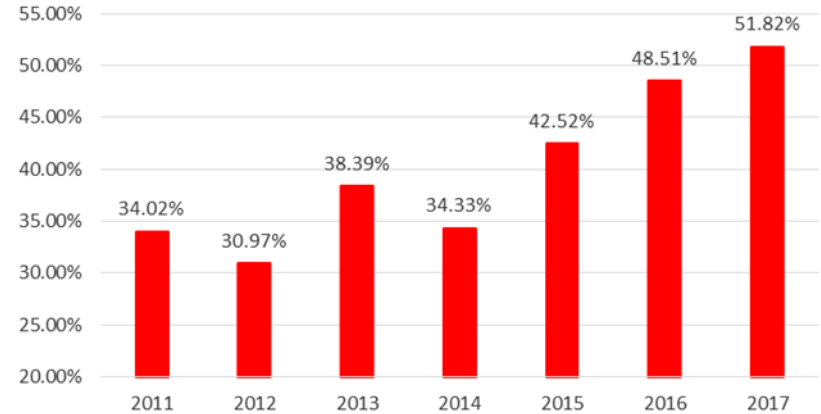


# Financial Results

Total balans (in €)



Debt ratio (in %)





## Financing - Hedging

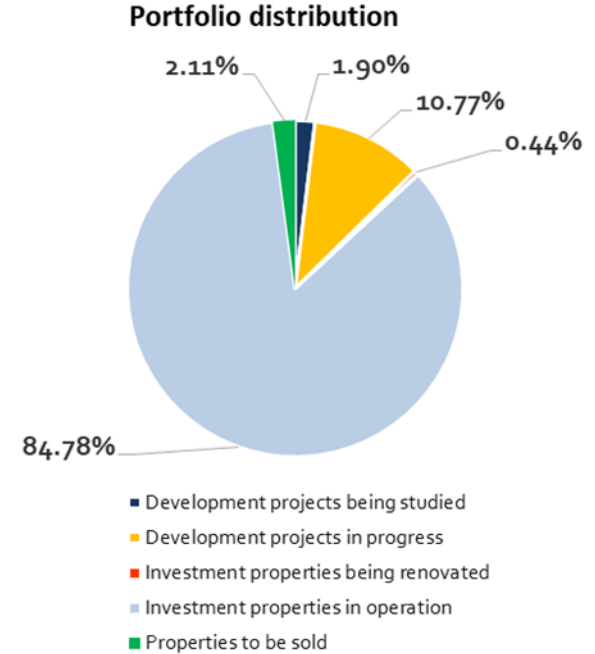
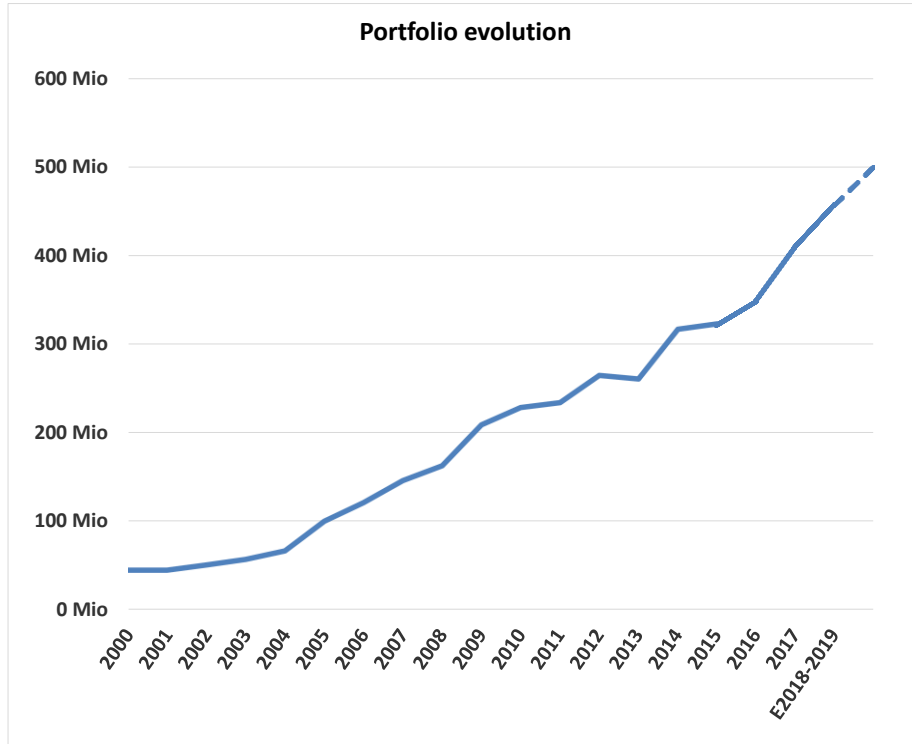
- Better average cost of funding  
**(2,09%**  
vs 2,63% in 2016  
and 3,40% in 2015)
- Better hedge maturity – less exposure to increase

<b>Funding as of December 31, 2017</b>	Amount confirmed (€)	Withdrawals (€)	Average Maturity	Notional amount expiring in 2018 (€)
<b>Bank Funding</b>	208.000.000	195.000.000	4 years and 9 months	10.000.000
BELFIUS	61.500.000	61.500.000	4 years and 11 months	
BNP	46.500.000	46.500.000	7 years	
ING	60.000.000	47.000.000	4 years and 6 months	
KBC	30.000.000	30.000.000	2 years and 11 months	
DEGROOF	10.000.000	10.000.000	4 months	10.000.000
<b>Bond loans</b>	40.000.000	40.000.000	6 years and 6 months	
Issue of 18/06/2014	40.000.000	40.000.000	6 years and 6 months	
<b>Total</b>	<b>248.000.000</b>	<b>235.000.000</b>	<b>5 years</b>	<b>10.000.000</b>

<b>Hedging instruments as of December 31, 2017</b>	Amount of the hedges (€)	Average Maturity	Hedges expiring in 2018 (€)
BELFIUS	56.500.000	8 years and 1 month	
BNP	46.500.000	7 years and 1 month	
ING	25.000.000	6 years	
KBC	15.000.000	3 years and 4 months	
<b>IRS Hedges</b>	<b>143.000.000</b>	<b>6 years and 11 months</b>	<b>0</b>



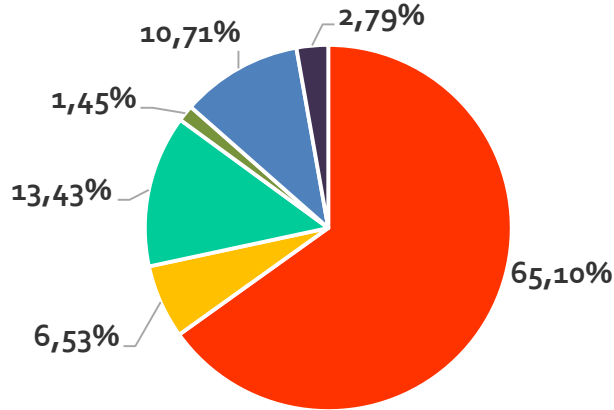
# Portfolio





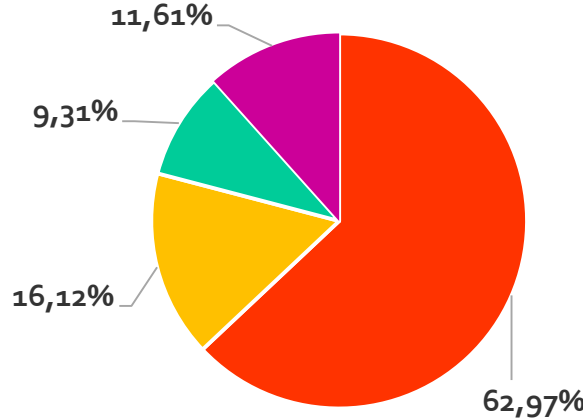
# Portfolio – properties in operation

Distribution by type of buildings in use



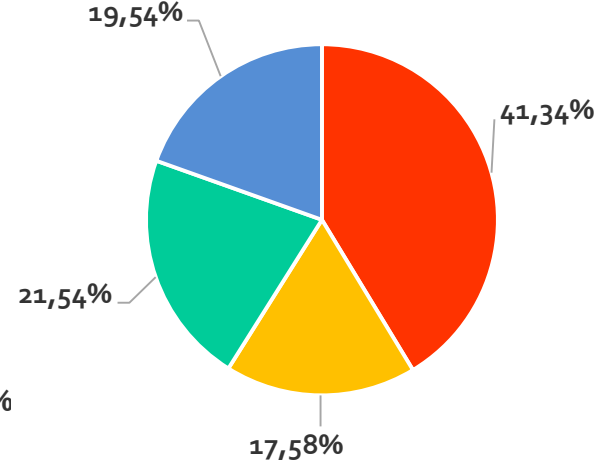
- Apartments
- Houses
- Shops
- Furnished apartments
- Nursing homes
- Offices

Geographical distribution of buildings in use



- Brussels
- Flemish Region
- Walloon Region
- The Netherlands

Distribution by age of buildings in use



- <= 5 years
- 6 - 10 years
- 11 - 20 years
- > 20 years



# Acquisitions





# Acquisitions 2017 – Development project Jourdan 95

- 5,800 m<sup>2</sup>
- 69 parking spaces
- Office building to be converted into a residential building
- 55 units
- Provisional acceptance of works mid-2020
- Immediate expected yield of +/- 5.25%







## Acquisitions 2017 – Existing building Port Zélande

- Strengthening the position in the Center  
Parcs Port Zélande
- Acquisition of 7 cottages & 40  
apartments
- Leased for a period of 15 years
- Initial rent of 43,000 indexed annually



# Acquisitions 2017 – Existing buildings

## Port Zélande





# Acquisitions 2017 – Existing buildings

## Investers SA

- Acquisition of all the shares of company Investers SA on August 31<sup>st</sup>
- 27 apartments, 4 stores and 2 offices spread over 3 different buildings in Uccle (8 apartments, 3 shops), Schaerbeek (10 apartments) and Saint-Gilles (9 apartments, 2 offices, 1 retail space)



Saint-Gilles



Uccle



Schaerbeek



## Acquisitions 2017 – Existing buildings Liberty's, Auderghem

- VOP transferred the ownership of a building located Place de l'Amitié in Auderghem
- Acquisition on September 13<sup>th</sup>
- 40 apartments, 41 basements and 40 parking spaces





# Acquisitions 2017 - Development projects

## Brunfaut- Molenbeek

- 93 apartments
- Demolition works started in Dec 2017
- Delivery expected Q42019



# (Re)Developments



# Development projects

## The Inside

- 95 units
- Building accepted on June 1<sup>st</sup> 2017
- First tenants since July 1<sup>st</sup> 2017
- So far, more than 70% of the apartments have been rented
- [www.theinside.be](http://www.theinside.be)





# Development projects

## The Pulse - Molenbeek

- 96 units (93 apartments & 3 houses)
- 66 underground parkings
- Delivery in different phases:
  - Building C : December 2017
  - Buildings A&B : March 2018
- Up to now, xx units have been rented
- Urban renewal
- [www.the-pulse.be](http://www.the-pulse.be)







## Development projects Reine Astrid, Kraainem

- 40 residential units
- Retail/offices units on ground floor
- Delivery expected Q4 2018





# Development projects

## MTC<sub>2</sub>, Woluwe-Saint-Lambert

- Building permit introduced – expected Q2 2018
- 47 apartments





## Refurbishment projects Scheldevleugel, Oudenaarde

- 95 units  
80 studios, 15 apartments
- 75 garage boxes
- Renovation of first phase (empty apartments) finished
- Second phase almost finished
- [www.scheldevleugel.be](http://www.scheldevleugel.be)



# Refurbishment projects

## Léopold & Saint-Hubert, Liège

- Works ongoing in both buildings



Léopold



Saint-Hubert



## (Re)Development

Already a solid track record : 400 new units & 36 renovated

Name	# units	Delivery	Description
Galerie de l'Ange	6	2014	New apartments in existing building of portfolio
Trône	16	2015	New Building - Iconic location – Fully let
The Link	123	2015	Office reconversion- Student House – Fully let
Ghlin	20	2016	Refurbishment of existing houses – Fully let
Arch View	16	2016	Refurbishment of existing building – Fully let
The Horizon	160	2016	Office reconversion – New way of living – Fully let
The Inside	95	Q2 2017	Office reconversion – letting on-going



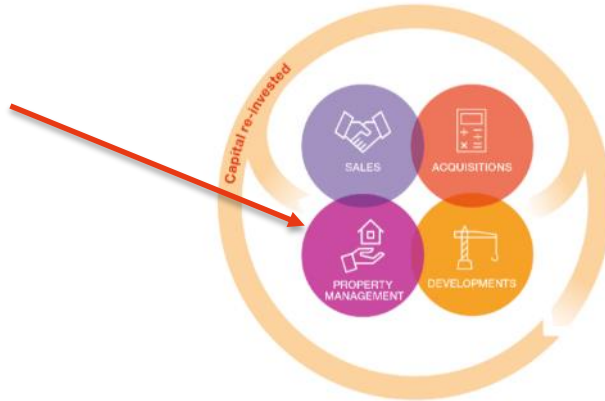
## (Re)Development

Coming soon... 330 new units & 135 renovated

Name	# units	Delivery	Description
Célidée	96	Q4 2017 - Q1 2018	Urban renewal
Scheldevleugel Oudenaarde	40 / 95	Q3 2017 / 2018-2019	Asset Management - Value add strategy
Saint-Hubert 51 - Liège	6	2018	Asset Management – urban renewal
Reine Astrid - Kraainem	40	2018	New building
Leopold - Liège	29 + 7	2019	Asset Management – urban renewal
Brunfaut	96	2019	New building - Urban Renewal
MTC2	47	2020	New building
Jourdan 95	50	2020	New building



# Property Management



# Property Management

## A unique competency on the market



### Letting activity

416  
(existing)



177  
(new  
buildings)



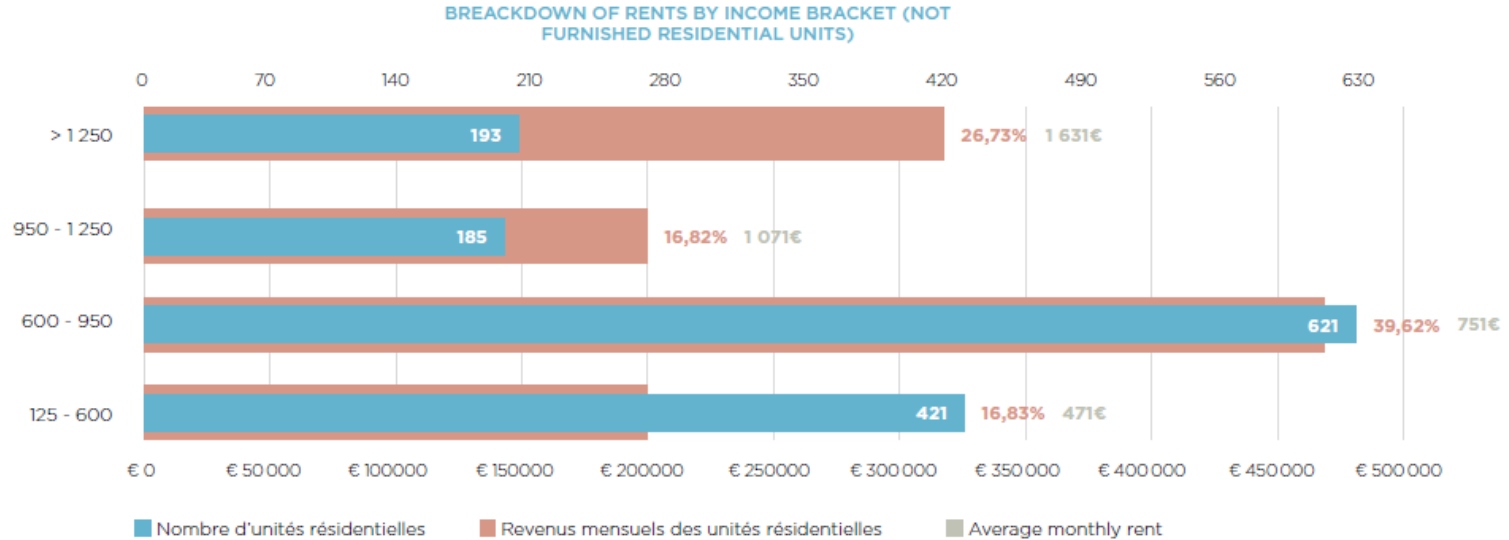
593  
leases  
concluded  
in 2017

- Rotation 2017 :  $416 / 1.781 = 23,36\%$   
Rent evolution : -0,68% on renewed contracts





# Rent Evolution



<sup>1</sup> Regional Housing Observatory, 'Rental Observatory, 2015 survey, April 2016.



# Property Management

## A unique competency on the market



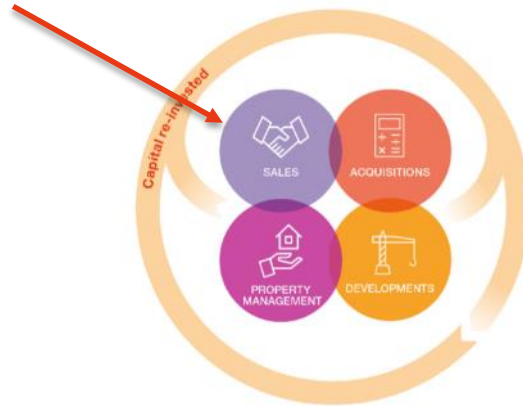
### Occupancy rate

- 2016 : 90,18%
- 2017: 90,49%



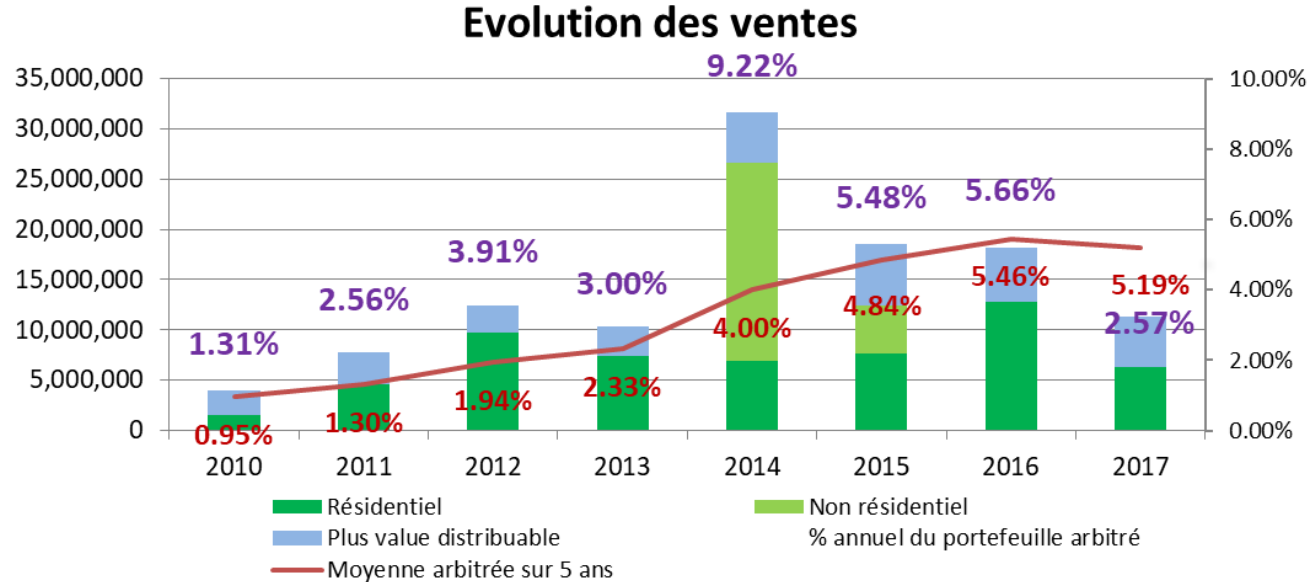


# Sales





# Disposal process





## Disposal process

- Maximization of capital gains
- Regular « cleaning up » of less performing assets in the portfolio
- Continuous rejuvenation of the portfolio
- Ongoing sales of the buildings
  - Mèlèzes (Woluwe-Saint-Lambert)
  - Birch house (Etterbeek)
  - Bosquet-Jourdan (Saint-Gilles)
  - Jardins de la Cambre (Ixelles).



Jardin de la Cambre



Bosquet Jourdan



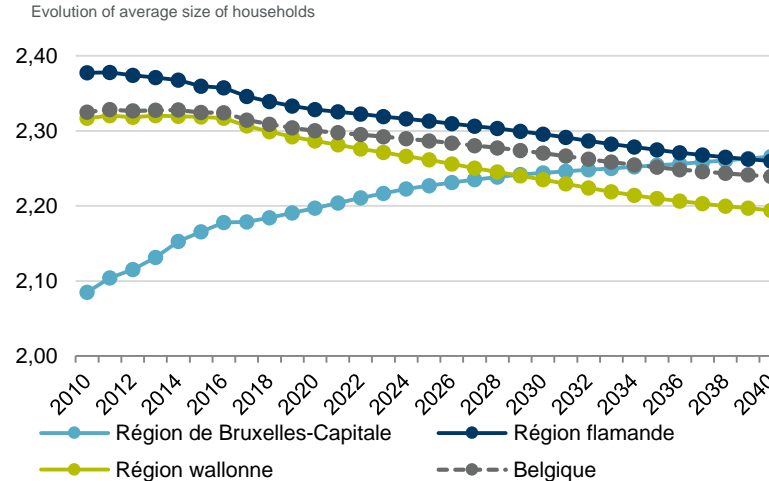
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## Evolution of average size of households

- The average size of a Belgian household consists of 2,30 people.
- Following society's evolution, growth should continue during the next following years to reach 2,23 people/household by 2040.
- Brussels is following a different evolution compared to Flanders and Wallonia, as population is rejuvenating, the number of households is growing from 3,4 to 5 people and cohousing is booming.



Source: Bureau Fédéral du Plan



# Growth of number of households in Belgium

- Demographic growth is less important than predicted but still amongst the biggest ones in Europe.
- The average size of households is getting smaller and the number of households is growing faster than the population.

	Annual average growth			Total growth	
	2000 – 2016	2016 – 2040	2040 – 2060	2016 – 2040	2016 – 2060
Population	0,6%	0,4%	0,2%	10,1%	15,8%
Households	0,8%	0,6%	0,3%	14,2%	21,3%

Source: Bureau Fédéral du Plan

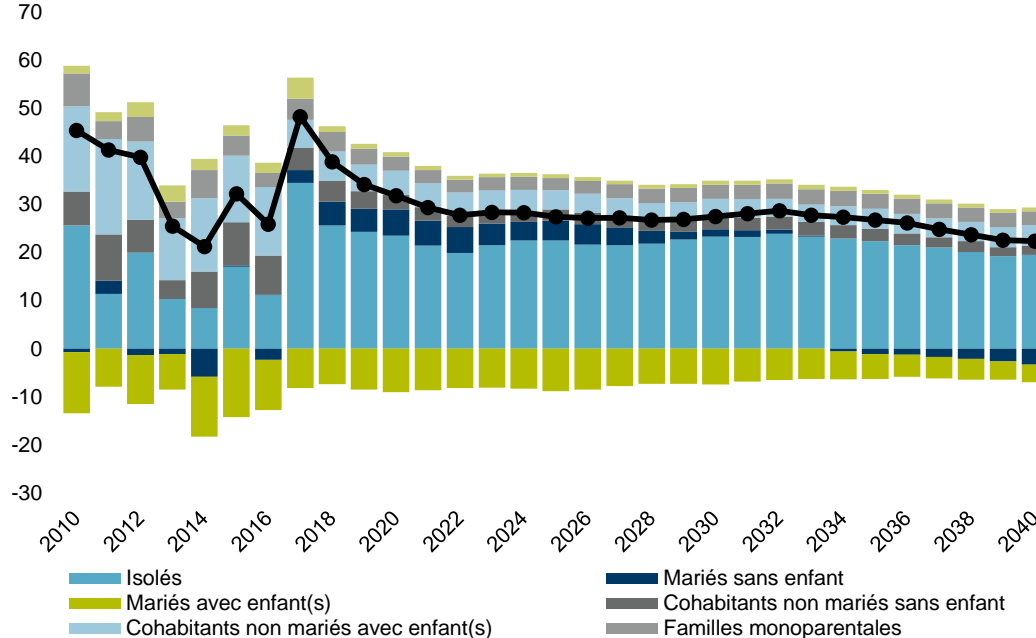
- In Brussels, however, population is growing faster than households, compared to the 2 other regions.
- Annual growth of 32,000 households/year in Belgium between 2017 and 2030. After 2030, 16,000 households/year.





## Annual increase of households, by type of household (en milliers)

- During the period 2010 – 2040, important decrease of married households with children.
- Important increase of “isolated” households, i.e. single people and non married co-habitants with children (particularly during the period 2010-2020).
- For the period 2017-2030, 32,000 additional households are expected each year, out of which 20,000 consist of isolated people.



Source: Bureau Fédéral du Plan



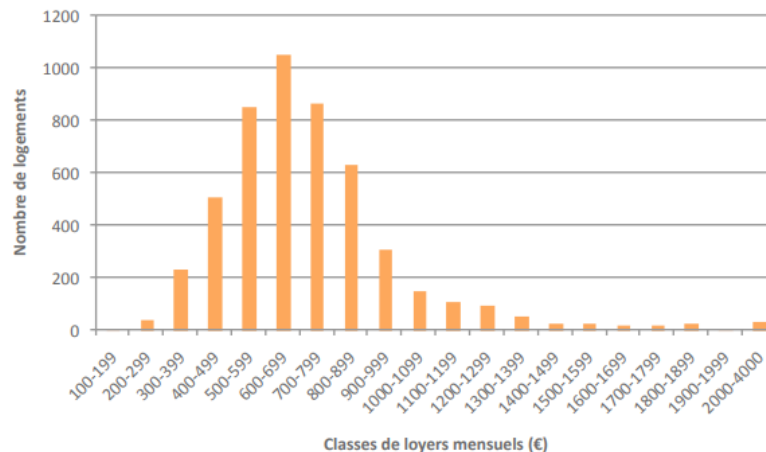
# Brussels Letting Market

- Cf. “Observatoire Loyers 2016” (Brussels)
  - Sample of 5,000 units out of 300,000
- Average rent : 710 EUR/month (709 in 2015)
- Median rent: 660 EUR/month (650 in 2015)

**Tableau 1 – Loyers mensuels de tous les logements**

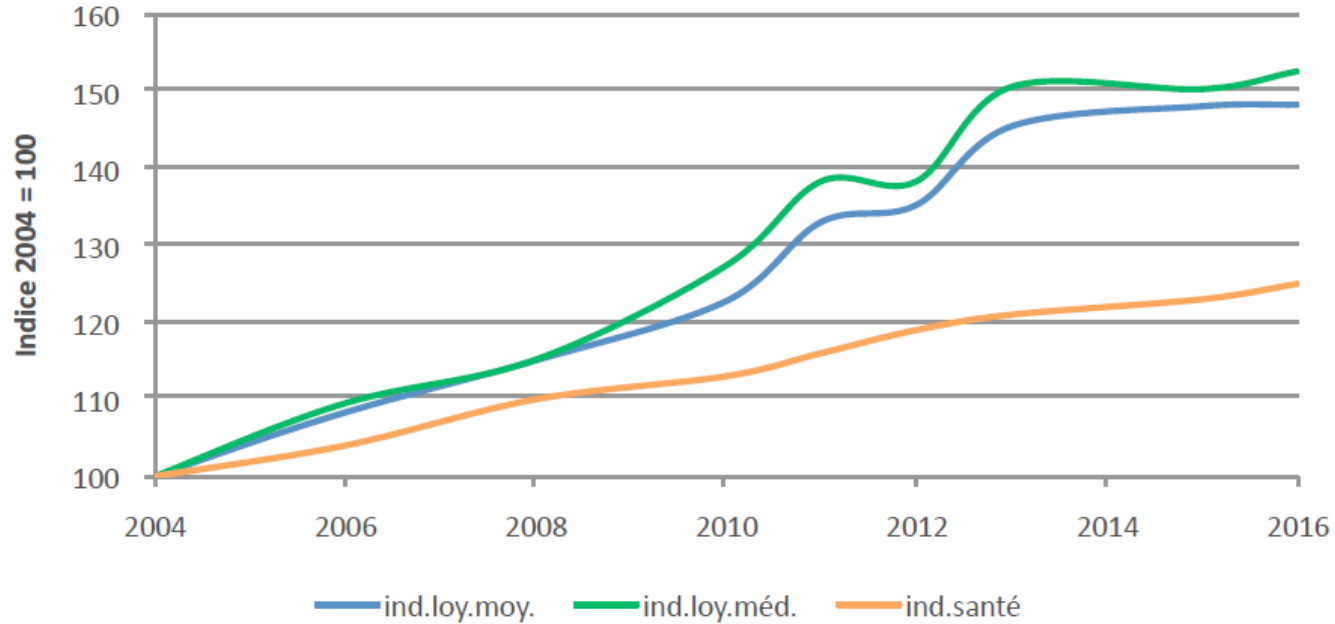
**STATISTIQUES DE LOYERS**

<b>Loyer moyen</b>	710 €
<b>1<sup>er</sup> quartile</b>	550 €
<b>Loyer médian</b>	660 €
<b>3<sup>ème</sup> quartile</b>	800 €
<b>Loyer modal</b>	600 €





# Brussels Letting Market





# Brussels Letting Market

Figure 10 – Logements loués suivant leur type et leur niveau de confort

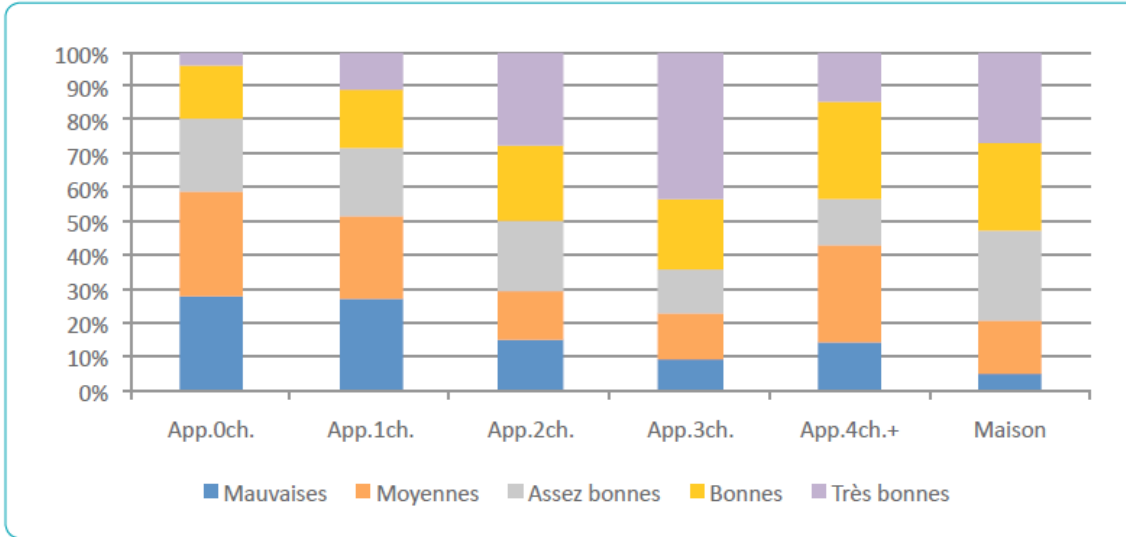


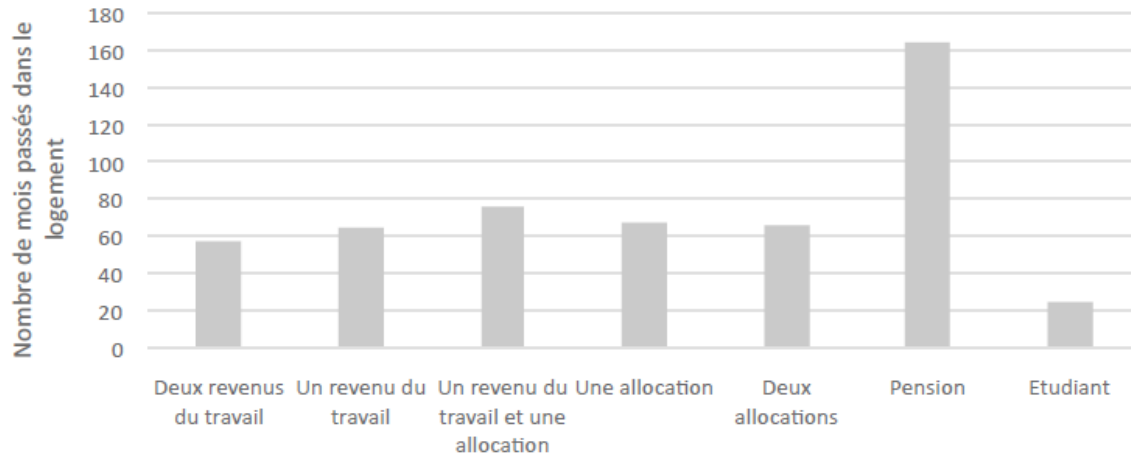
Tableau 2 – Statistiques de superficie des logements loués

<b>Moyenne</b>	76 m <sup>2</sup>
<b>1er quartile</b>	58 m <sup>2</sup>
<b>Médiane</b>	75 m <sup>2</sup>
<b>3ème quartile</b>	90 m <sup>2</sup>



# Brussels Letting Market

Statut socioprofessionnel

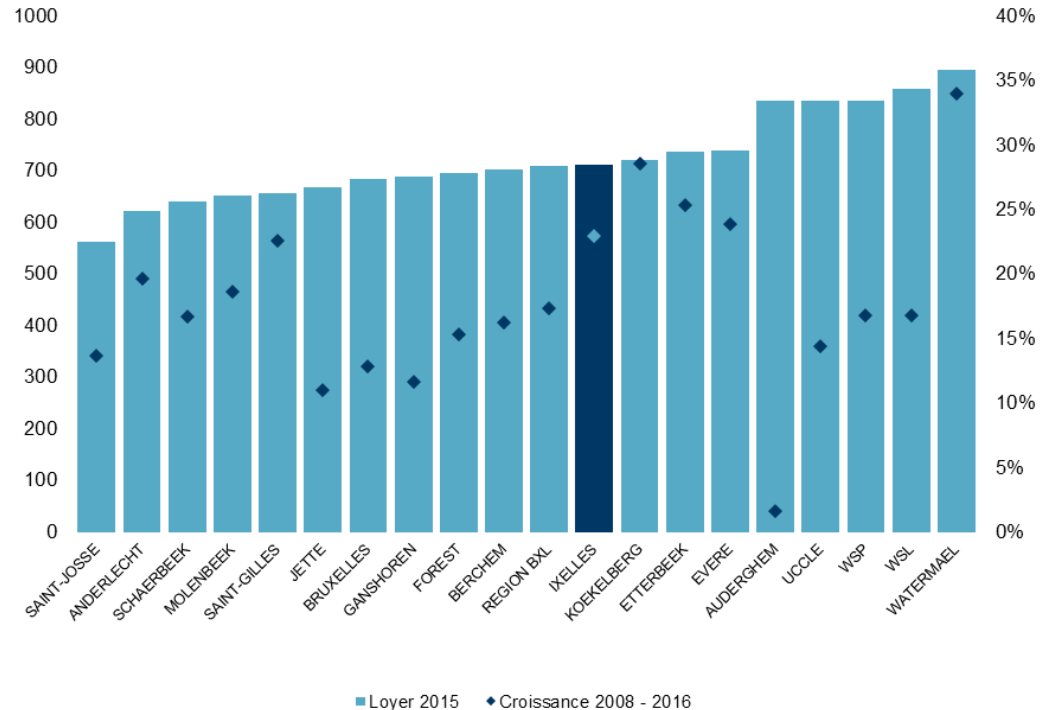


Durée des baux	2013	2016
Un an ou moins	30%	17%
D'un à trois ans	48%	52%
Neuf ans et plus	22%	32%



# Brussels Letting Market

- Big differences between the different communes of Brussels.
- Increase in prices vary a lot between the communes as well





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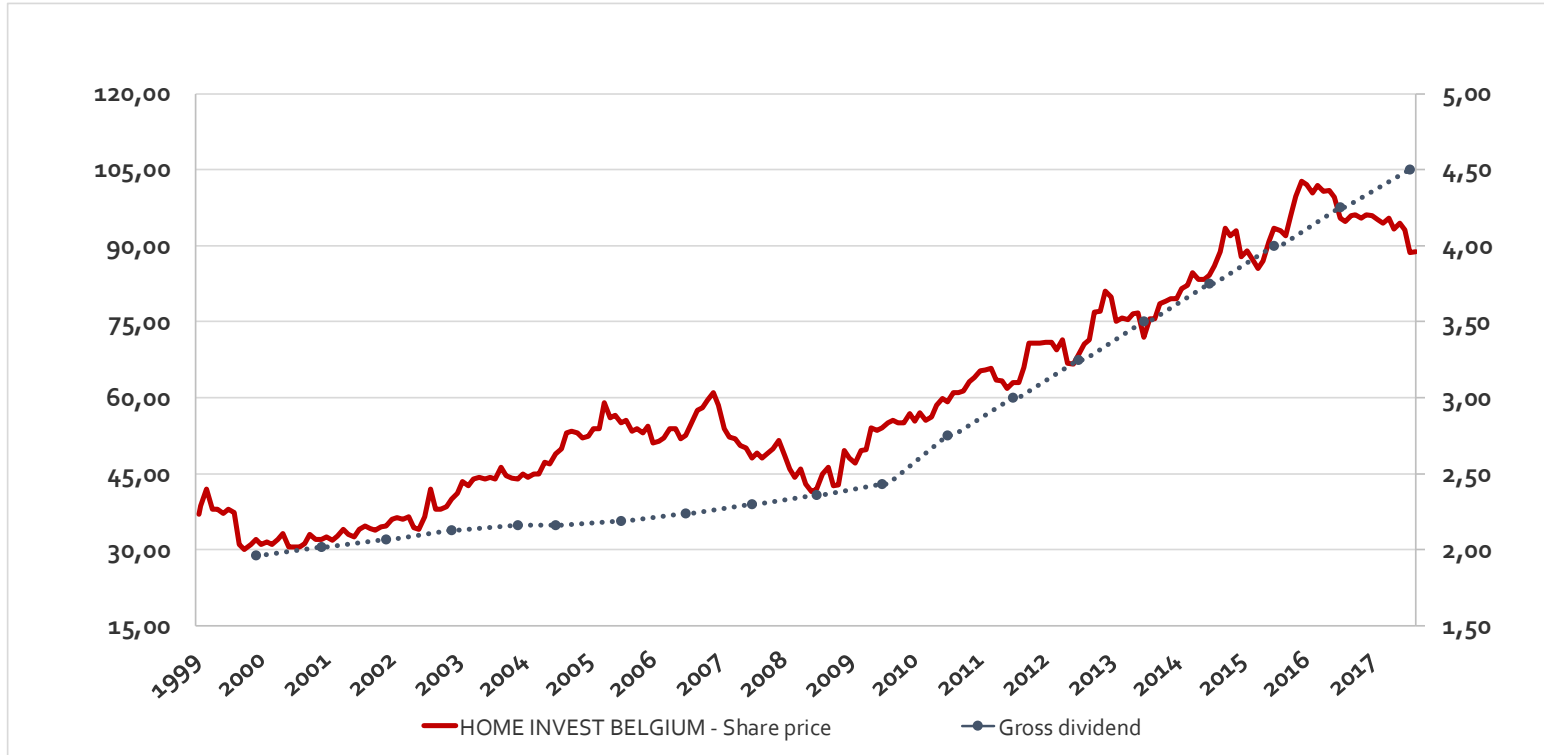
## Stock - Key figures

- -6,35 % in 2017 (€88,72 - €94,74)
- Premium of 34,5 % (29,7% IAS 39 excluded)
- Dividend of € 4,50 for 2017
- 30% withholding tax
- Low volumes on the stock



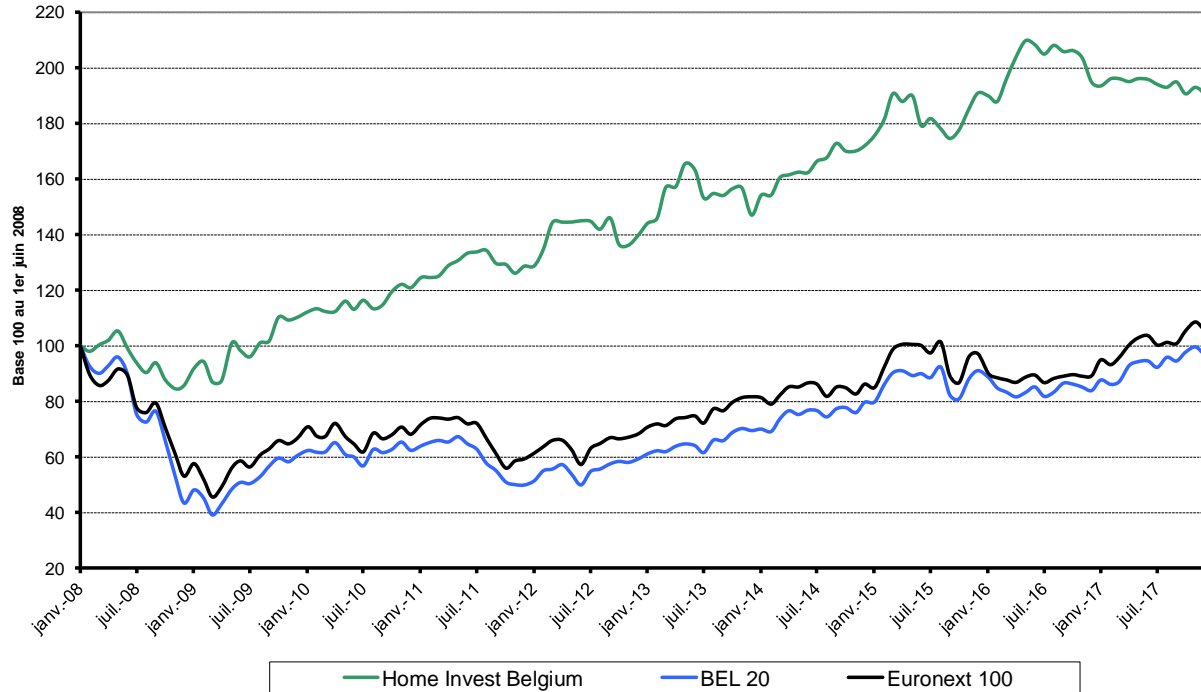


# Evolution of the stock price & dividend





# Comparison return





## The HIB team





Your questions are welcome!

Thank you for your attention!



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