

Brussels, embargo until 05.09.2019, 5:40PM CET

Cofinimmo extends its healthcare portfolio to Spain

Cofinimmo settles in Spain with a first pipeline of five construction projects in healthcare real estate. The total investment budget for both the plots of land and works amounts to 45 million EUR. The projects are already pre-let to one of Spain's major operators.



Jean-Pierre Hanin, CEO of Cofinimmo: *“After Belgium, France, the Netherlands and Germany, Cofinimmo expands its activities to Spain. This is in line with the Group’s strategy, namely the consolidation of its leadership in healthcare real estate in Europe and an increased geographical diversification of its portfolio. We have the ambition to build up a considerable portfolio in this country. In addition, we start a partnership with a leading operator in the Spanish healthcare segment.”*

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1. The Spanish healthcare real estate sector

Spain has approximately 47 million inhabitants, of whom 19% are older than 65 and 6% are more than 80 years old. This current demographic situation is similar to the one in other European countries. However, the Spain offers interesting growth opportunities as its ageing population is expected to increase significantly faster than in Belgium and France (in Spain, the number of people over 65 increases with more than 1.8% every year, compared with roughly 1.3% in Belgium or France). Moreover, with an average of 44 beds per 1,000 people over 65 years old¹, Spain has less and often older nursing and care homes than other European countries. It is expected to catch up rapidly though.

As a result, Spain offers interesting perspectives for Cofinimmo for expanding its portfolio and deploying its real estate expertise. Cofinimmo has the ambition to contribute in meeting the need for more modern nursing and care homes in Spain and offers therefore its long experience in development and renovation of care facilities.

Currently, approximately 380,000 beds are available in Spain. They are managed by operators from the private sector, by charity associations and by public operators, each taking up about one third of the beds. The 15 largest private operators currently represent approximately 22% of the total number of beds.

2. The transaction

The Cofinimmo group signed (through its subsidiary Gloria Health Care Properties, S.L.U.) agreements regarding the acquisition of a first plot of land in Spain. A nursing and care home will be built on this plot. The total investment budget for the five plots of land and the works amount to 45 million EUR.

¹ Sources: Eurostat, Antares.

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3. The sites

3.1. Vigo



This nursing and care home is being built in Vigo. With more than 250,000 inhabitants, it is the biggest city in the province of Pontevedra and in the autonomous community of Galicia, in Northwest Spain. Vigo is also the largest fishing port in Europe.

The building will have a ground floor and seven storeys. It will offer 140 beds spread over an above-ground surface area of approximately 5,000 m². The investment budget amounts to almost 8 million EUR. Works started in May and delivery is planned for November 2020. The double net¹ lease will have a 20-year term and the initial gross yield will amount to 6%. The rent will be indexed annually according to the Spanish consumer price index.

Built in a district where nursing and care homes are still missing, this building will complete Vigo's network of nursing and care homes. It will have a very high A-level energy performance. Energy consumption will be limited thanks to, among others, LED lighting, a heat pump, condensing boilers and ventilation units with heat recovery in winter and free cooling in summer. Part of the electricity will be produced by photovoltaic panels. The building will also be easily accessible by public transport. A bus stop and a coach terminal will be within walking distance. A garden will be created behind the building. The residence will hire approximately 46 people.

¹ The owner is primarily responsible for the maintenance costs of the shell and the structure of the building.

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3.2. Other sites

Besides the project in Vigo, Cofinimmo already identified four other sites in the autonomous communities of Galicia, Valencia, Murcia and Andalusia. The delivery of the last nursing and care home of this series is currently planned for the summer of 2021.

4. The operator

CLECE Vitam is a subsidiary of CLECE, established in 1992 and one of the main operators in Spain. The group offers a wide range of services, such as maintenance, facility management, logistics, safety, gardening and has more than 74,000 staff members in Spain, Portugal and the United Kingdom. Its headquarters is in Madrid. The group is responsible for the (full or partial) operation of 145 nursing and care homes and 92 day care centres, spread across Spain. Among these, private residences are specifically managed and operated by CLECE Vitam.

CLECE ensures the well-being and quality of life of almost 17,000 seniors and has more than 15 years of experience in the social services sector. Focus lies on a humane and highly professional conduct of the teams, on excellence of service and on the application of the latest available therapies and technologies. The operator wants to create a comfortable home environment for the elderly that is adapted to their needs. At the same time, he ensures that they can remain autonomous and live in dignity for as long as possible. Besides its basic services of the highest level, he also meets the sociocultural and therapeutic needs of its residents.

5. Extension of Cofinimmo's healthcare team

Miss Maria Garbayo Garcia, of Spanish nationality, will join the Cofinimmo team as from 01.10.2019 as Business Development Manager Spain and will directly report to the Chief Operating Officer Healthcare. Maria has more than ten years of experience in M&A, which she acquired in New York and London, first at Lehman Brothers, and later at Nomura and Stella Advisors. At the beginning of 2017, she specialised in international M&A in healthcare. She has achieved a dozen operations in less than three years, allowing Armonea to double the size of its international activities.

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About Cofinimmo:

Cofinimmo has been acquiring, developing and managing rental properties for over 35 years. The company has a portfolio spread across Belgium, France, the Netherlands, Germany and Spain, with a value of 4 billion EUR. With attention to social developments, Cofinimmo has the mission of making high-quality care, living and working environments available to its partners-tenants, from which users benefit directly. *“Caring, Living and Working - Together in Real Estate”* is the expression of this mission. Thanks to its expertise, Cofinimmo has built up a healthcare real estate portfolio of more than 2 billion EUR in Europe.

As an independent company that applies the highest standards of corporate governance and sustainability, Cofinimmo offers its tenants services and manages its portfolio through a team of over 130 employees in Brussels, Paris, Breda and Frankfurt.

Cofinimmo is listed on Euronext Brussels (BEL20) and benefits from the REIT system in Belgium (RREC), France (SIIC) and the Netherlands (FBI). Its activities are supervised by the Financial Services and Markets Authority (FSMA), the Belgian regulator.

On 31.08.2019, Cofinimmo’s total market capitalisation stood at more than 3 billion EUR. The company applies an investment policy aimed at offering a socially responsible, long-term, low-risk investment that generates a regular, predictable and growing dividend.

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