

[Real Estate Daily]

ING comments on European Real Estate

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We had a discussion with Befimmo (Hold, TP €48.7, based on a 10% target discount to 2012 IFRS NAV) about the latest trends they see in the housing behaviour of the European institutions on Friday. Last year the EU did amongst others 46,000 sqm of letting in the Leopold district (Capital building) and this year the EU already did the 20,000 sqm Covent garden and the Espace Orban (24,463 sqm). In addition the 5,379 sqm Science Montoyer Befimmo development (Breeam post construction excellent, 1st in Cont. Europe) was let to the EU recently for 21 years without break. The main characteristic of the EU demand is that the sustainability requirements have increased. Befimmo feel they are well prepared for that, at 31 March they had a €1.965 billion office portfolio on 851,441 sqm, that was 94.6% occupied with an average lease duration of 9.8 years. Befimmo announced it has bought back 15,476 shares last week as part of the announced maximum amount of €4.5 million.

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