

PRESS RELEASE

*Free translation, the Dutch version prevails*

REGULATED INFORMATION

22 June 2020

Before trading hours – Under embargo until 07h45

Inside information

## CARE PROPERTY INVEST

Public limited liability company (société anonyme/naamloze vennootschap),  
Public Regulated Real Estate Company (Société Immobilière Réglementée (SIR) /  
Gereguleerde Vastgoedvennootschap (GVV)) under Belgian Law  
Registered Office: 3 Horstebaan, 2900 Schoten  
Companies Registration No. 0456.378.070 (LPR Antwerp)  
(the “Company”)

---

### ES- ACQUISITION OF A RESIDENTIAL CARE CENTRE TO BE DEVELOPED IN SPAIN

---

Schoten, Belgium – 22 June 2020

With this agreement under suspensory conditions, in view of the acquisition of the residential care centre to be developed in Mostoles (Madrid), Care Property Invest announces its launch onto the Spanish market. In order to further develop its strategic growth plan, the Company will acquire 100% of the real estate after provisional delivery of the project by means of a Spanish subsidiary to be established. This project in Mostoles will offer a total capacity of 148 rooms, capable of accommodating a total of 166 people.

Care Property Invest will acquire the land after receipt of the necessary permits, and will finance the development to be realized by Alta Real Estate S.L. (part of Habescon Inmobiliaria group) in accordance with the progress of the works. The construction works are estimated to commence during the 2nd quarter of 2021.

This project will be operated by a subsidiary of Groupe Emera on the basis of new long-term rental agreement of the ‘triple net’ type with a minimum duration of 15 years (renewable), which will be indexed annually.

The total investment value for this project in Mostoles is estimated to be approximately €12.0 million.

Strengthened by its 25 years of experience, the Company wants to establish itself in this southern European country, for which statistics predict that the number of people aged 65+ will increase by as much as 67% by 2040.

More information about this new target market and details about the acquired project can be found as from the next page.

#### **Quote Peter Van Heukelom, CEO of Care Property Invest:**

*‘We are proud to be able to take our first step into our third European target market with the acquisition of this high-quality new-build project, situated at a prime location. This allows us to further expand our geographic reach in a market that offers the prospect of above-average returns compared to the average in the Benelux and also has an even stronger aging curve than the one we face ourselves. The thorough research that we carried out before proceeding to this next step even shows that there is already an actual shortage of housing for people over 65 years of age, as a result of which residential care centres already have long waiting lists. Consequently, residential care centres in Spain have high occupancy rates and will bring stable cash flows for us as an investor. And of course we are extremely pleased to be able to join forces with care operator Emera Groupe. We strongly believe in this cooperation, especially considering their strong track record of more than 30 years throughout Europe and hope to place more projects on the map together with them in the future.*

*‘We are convinced that, thanks to our accumulated experience as the first pure healthcare property player in Belgium, we can also be an important strategic partner here in offering high-quality residential units, which of course meet a similar set of strict standards and requirements as in Belgium and The Netherlands. Our ambition is to continue to expand our portfolio here in the foreseeable future and to strengthen our position as a European listed healthcare property player.’*



## 1. The Spanish healthcare real estate market

In summary, the attractiveness of investing in the Spanish healthcare real estate market lies in the relatively high yields, the favourable expected demographic evolution, the (already existing) shortage of housing for elderly care, the relative immaturity of this market and a (possible) wave of consolidation at operator level.

In terms of demographics, Spain is one of the most attractive markets for a healthcare property investor. With an average life expectancy of 80.3 years for men and 83.5 for women (compared to 78.8 and 83.5 respectively in Belgium), the country has the highest life expectancy of all European countries. This trend is predicted to continue to such an extent that by 2040 it will be the highest in the world.

In addition, models predict that the number of Spanish over-65s will increase by as much as 67% by 2040 (from 8.9 million to 14.8 million), which means an increase in the ageing rate from 18% to as much as 31%.

Spain currently has around 5,519 residential care centres, with around 376,000 residential units for the approximately 8.9 million people aged 65+. The World Health Organisation (WHO) states that with the abovementioned offer of 4.2 residential units per 100 people over 65 (where there should ideally be 5), there is already a shortage of beds to accommodate this group. To date, there are more than 100,000 residential units lacking in Spain. However, by 2030 and 2050 respectively, an additional 200,000 and 400,000 housing units will have to be built in order to meet the growing demand for housing for elderly care.

Spain also sees a strong trend of urbanisation, with a large part of the population living in or around the larger cities. This makes healthcare real estate projects located around and in the cities, as is the case for the acquired project in Mostoles, extremely attractive for investors. It is also in and around the cities that we find the part of the Spanish population that is in a higher income class and therefore find it easier to access private residential care facilities.

In terms of type of facilities, the country does not only have public and private residential care facilities, but also a combination of both, in which these public residential units are placed within a private project. As a result, no less than 75% of the total number of residential units are located in private residential care centres. The size of this relatively accessible private market thus offers many investment opportunities.

As far as operators are concerned, the market is very fragmented, with the 7 largest operators having a combined market share of only 17%. These operators are currently trying to consolidate their market share and in their quest for growth are asking for investors who can take real estate out of their hands so that they can further focus their attention on its operation.

## 2. About Groupe Emera

With 70+ nursing homes, in 6 European countries, and more than 6100 beds in its portfolio, the French healthcare operator Groupe Emera is the seventh largest player for elderly care in France and in Europe. They are currently active in France (53 nursing homes), Spain (6 nursing homes), Belgium (4 nursing homes), Luxembourg (1 nursing homes), Switzerland (1 nursing homes) and Italy (2 nursing homes). Group Emera took its first steps on the Spanish market in 2017 and currently operates 6 sites with approximately 760 beds. The Emera Group has several new projects to be opened in the coming months.

### 3. The property

|   |  |  |
|---|--|--|
|  | <h2>Madrid (Mostoles) - 'Emera Mostoles'</h2>  |  |
|   | <ul style="list-style-type: none"> <li>• <b>ADDRESS:</b> Calle Agustin de Betancourt 37, 28935, Mostoles, Madrid, Spain</li> <li>• <b>CAPACITY:</b> Residential care centre with 166 residential units<br/>148 rooms (130 single rooms and 18 double rooms)</li> <li>• <b>OPERATOR:</b> A 100% subsidiary of Groupe Emera</li> </ul>   |  |
|   | <ul style="list-style-type: none"> <li>• <b>LOCATION:</b> Next to a supermarket and only 1 km away from restaurants, shops, banks etc. The city centre of Mostoles (a district of Madrid) is 3 km away and the centre of Madrid is 20 km away. The project is easily accessible by car via the A5, M50 and M506 motorways and by public transport thanks to a bus stop located 350 m away from the project.</li> <li>• <b>DESCRIPTION PROPERTY AND FACILITIES:</b> The building will consist of 5 floors (ground floor and 4 levels) and will have 148 private rooms. The residential care centre will provide the possibility of an indoor doctor's practice, a physiotherapy practice, a hairdresser's salon and a pedicure room. There will be a restaurant on the ground floor. Outside there is a beautiful garden with terrace where residents can enjoy a drink with their visitors.</li> <li>• <b>YEAR OF CONSTRUCTION / RENOVATION:</b> Expected start of construction works: Q2 2021. Provisional delivery is expected Q2 2023.</li> <li>• <b>CONTRACT TYPE:</b> New long-term leasehold agreement of the 'triple net' type with a minimum duration of 15 years (renewable and annually indexable).</li> <li>• <b>INVESTMENT VALUE:</b> €12.0 million.</li> <li>• <b>TRANSACTION:</b> Acquisition of the land by means of a Spanish subsidiary to be established after the realisation of a number of conditions precedent, followed by the financing of the development in accordance with the progress of the works.</li> <li>• <b>FINANCING:</b> Debt/equity financing (mix to be determined when cash out takes place).</li> </ul> |  |

...

Care Property Invest would like to reconfirm its desire to expand its real estate portfolio in the future with health care infrastructure in Belgium, The Netherlands, Spain, as well as elsewhere in the European Economic Area.

...

Caution regarding forecasts

*This press release contains forecasts involving risks and uncertainties, amongst others statements regarding plans, objectives, expectations and intentions of Care Property Invest. Readers are cautioned that such forecasts involve known and unknown risks and are subject to significant business, economic and competitive uncertainties which are mostly beyond Care Property Invest's control. If one or more of these risks or uncertainties materialise or should, if applied, basic assumptions prove incorrect, the final results may significantly deviate from the anticipated, expected, estimated or projected results. Consequently, Care Property Invest cannot assume any responsibility for the accuracy of these forecasts.*

For any additional information, please contact:



**Valérie Jonkers**  
COO – Member of the executive committee  
valerie.jonkers@carepropertyinvest.be  
T +32 3 222 94 94 - F +32 3 222 94 95 - M +32 499 28 01 43  
Horstebaan 3  
2900 Schoten  
info@carepropertyinvest.be  
[www.carepropertyinvest.be](http://www.carepropertyinvest.be)



**Philip De Monie**  
Investment Manager  
philip.demonie@carepropertyinvest.be  
T +32 3 222 94 94 - F +32 3 222 94 95 - M +32 483 11 80 17  
Horstebaan 3  
2900 Schoten  
info@carepropertyinvest.be  
[www.carepropertyinvest.be](http://www.carepropertyinvest.be)



**Peter Van Heukelom**  
CEO – Member of the executive committee  
peter.vanheukelom@carepropertyinvest.be  
T +32 3 222 94 94 - F +32 3 222 94 95 - M +32 495 59 82 67  
Horstebaan 3  
2900 Schoten  
info@carepropertyinvest.be  
[www.carepropertyinvest.be](http://www.carepropertyinvest.be)

**About Care Property Invest**

Care Property Invest NV is a Public Regulated Real Estate Company (**Public SIR/GVV**) under Belgian law. Based on a solid organisation, Care Property Invest helps healthcare entrepreneurs to undertake property projects by offering real estate tailored to the end user that is both qualitative and socially responsible. For its shareholders, Care Property Invest strives for a stable long-term rate of return.

This year, Care Property Invest's share celebrates its 24th anniversary on Euronext Brussels. The share is listed under the name of **CPINV** and has the following **ISIN-Code: BE0974273055**. As from December 2016, the share is a constituent of the **Belgium Bel Mid Index** and the Company has become a member of **EPRA**.

In September 2019, the Company received its third **EPRA BPR Gold Award**. As from 1 November 2019, the share is also a constituent of the **Euronext Next 150 Index**.