

## Successful closing of Xior's first residence in Granada

Completely on schedule: brand new student complex will soon open its doors with triple net rental agreement from 1 September 2020

### Covid-19 update

**Antwerp, Belgium – 23 June 2020** – Xior Student Housing NV, the Belgian real estate investment trust (BE-REIT) specialised in student housing in Belgium, the Netherlands, Spain and Portugal, is pleased to communicate that the previously announced agreement to acquire a new student residence with 347 units on the Cartuja campus in Granada has been successfully completed<sup>1</sup>. Even during the exceptional circumstances caused by the Covid-19 pandemic, on the one hand the development has not been delayed and the project was delivered as planned on 17 June, on the other hand the letting through current operator Amro Estudiantes, with whom Xior has signed a two-year triple net agreement, is progressing well. An observation that Xior also sees confirmed in the other projects under development as well as at other Xior locations where the letting is on schedule for the coming academic year.



On 28 February 2020, Xior Student Housing announced the acquisition, under suspensive conditions, including the full completion and delivery of the building, of the Amro Granada student residence in Granada, the fifth largest student city in Spain, with approximately 60,000 students<sup>2</sup>. These conditions have now been met and the acquisition was completed in the course of last week. After the previous acquisitions in Barcelona and Madrid, this acquisition adds a third city to the Spanish portfolio and confirms Xior's ambition to grow further in Spain.

<sup>1</sup> See press release from 28 February 2020

<sup>2</sup> Bonard, Student Housing Market Report, 2019 Recap | 2020 Outlook

This new residence with 347 units (354 beds) was developed according to the latest insights and adapted to the needs and wishes of every student and is ideally located on the Cartuja campus of the University of Granada, within walking distance of the city centre. The total investment value for Xior amounts to EUR 37 million with an expected stabilised gross return of approx. 7%. From 1 September 2020 and during the first two academic years, the residence will be operated by Amro Estudiantes on the basis of a triple-net lease agreement, which guarantees Xior a certain income flow in this new Spanish city. After this ramp-up period, Xior will take over the operation under its own flag.

Even in the current exceptional circumstances due to the Covid-19 pandemic, the development has not been delayed and the project was delivered in time, fully on schedule, on 17 June 2020. The letting for the coming academic year, by current manager Amro Estudiantes, is also progressing well.

### **Covid-19 update: Projects in progress & operations**

#### **Projects in progress**

At present, the following projects are still ongoing: Lutherse Burgwal (The Hague), U.hub Benfica (Lisbon), U.hub São João (Porto) and PXL (Hasselt). Similar to Granada, these projects did not experience any significant inconvenience during the lockdown and completion is on schedule. Currently, these new residences are being finalised in time to welcome the first students for the new academic year. The other construction projects and permit processes in Portugal, Spain, the Netherlands and Belgium also continue without any impact on the expected timeline.

#### **Operations**

During the lockdown, our residences remained open and accessible at all times, subject to compliance with social distancing rules. At many locations the 'real' occupancy was lower since many students returned home. As a result of the easing of the Covid-19 measures and because many universities decided to take as many exams as possible physically on their own campus or at other assigned locations, many young people returned to their student rooms and the occupancy in many residences increased considerably. The necessary safety measures, such as disinfecting gel dispensers, mouth masks, clear signing and instructions, adapted circulation routes and extra cleaning were implemented to ensure that students could return in complete safety.

During the corona spike with its strict precautionary measures, physical visits were not allowed and the switch was made to virtual tours. Especially in Belgium, where the market is typically characterised by physical visits, there was a positive response and these digital tours proved to be a great success. At the moment, visits can be restarted physically again, subject to compliance with safety measures that are still in force from the government.

In the four countries where Xior is active, the rentals for the coming academic year are on schedule and in some cities even better. Strikingly, the rental season also started earlier this year in several cities and higher retention rates than usual were observed.

The demand from foreign students also remains high. For Erasmus students, who rather rent for a short period of time, the waiting lists are increasing as Xior initially prefers annual contracts for domestic and foreign students.

The great uncertainty that prevailed as to whether international mobility would be maintained and the influx of foreign students would get back on track, Xior can by trial and error disprove this. After all, the Woudestein residence in Rotterdam was rented out at lightning speed; in just 3 hours all 259 rooms were rented out to first-year international students. During this short reservation period, even a peak of 2,700 potential tenants was registered. The same trend was observed in the Willem Dreeslaan residence in Utrecht, where the 84 rooms that were placed online were all rented out on that same day. The great

scarcity and high room demand in the Netherlands continues to ensure that studios and rooms are easily re-rented to foreign and also to Dutch students.

Of course, at this moment it is not yet possible to fully estimate to what extent the corona crisis or a possible second wave will have an impact on the coming academic year, but several universities have already officially communicated that they want to maximize the education on campus in combination with digital lessons and advocate to give students back their campus life. The mix of online education and on-campus learning has also been reconfirmed in the dialogue between Xior's Country Managers and various educational institutions. The baseline is that not only practicums, working classes and interactive forms of teaching, but also regular classes will take place as much as possible on campus in compliance with safety guidelines and if necessary additional locations will be sought. Students also prefer this option, which is clearly reflected in the success of the rental season.

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## About Xior Student Housing

Xior Student Housing NV is the first Belgian public regulated real estate company (RREC) specialising in the student housing segment in Belgium, the Netherlands, Spain and Portugal. Within this property segment, Xior Student Housing offers a variety of accommodation, ranging from rooms with shared facilities to en-suite rooms and fully equipped studios. Since 2007, as owner-operator, Xior Student Housing has built high-quality, reliable student accommodation for students looking for the ideal place to study, live and relax. A place with that little bit extra, where every student immediately feels at home.

Xior Student Housing has been accredited as a public RREC under Belgian law since 24 November 2015. Xior Student Housing's shares have been listed on Euronext Brussels (XIOR) since 11 December 2015. On 31 March 2020, Xior Student Housing held a property portfolio worth approximately EUR 1.22 billion. More information is available at [www.xior.be](http://www.xior.be).

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