



ICONIC | BELVAL, LUXEMBOURG

► REAL ESTATE  
DEVELOPMENT

RE SIX  
ACTIVITIES

# ► REAL ESTATE DEVELOPMENT BUSINESS REVIEW

After a successful 2017, continued and constant growth was also the theme for BESIX RED in 2018. Our expansion remains at a steady pace resulting in a turnover of €156.8 million (+ 8.5% vs. 2017). A positive result we owe to our geographical and sectorial diversification but also to our focus on innovation, backed by the financial strength and synergies with the different entities of BESIX Group.



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These assets, combined with our expertise in complex and large-scale projects, have helped us develop strong and long-term public and private partnerships in all cities we are active in.

In terms of portfolio, BESIX RED counts 26 projects in today's pipeline that totalize more than 500,000 sqm under development. Covering 13 cities in 5 European countries, 2018 marks also the ambition of BESIX RED to consolidate its presence in France with the nomination of its Country Director.



OXYGEN | AUDERGHEM, BRUSSELS, BELGIUM

## Our vision and assets

As a developer, our ambition is to participate in the city of tomorrow, by offering not only a living and working space but also a living and working experience.

We seek for Excellence to provide our clients sustainable, innovative, high-quality and technical solutions; that make life easier while contributing to urban revitalisation.

Backed by a multidisciplinary Group, we offer an added value to our clients thanks to our 'Developer-Contractor identity'. Our 'One-Stop-Shop' approach combines all our Group's competences under one responsibility to deliver the highest quality and efficient product to our clients.

Even though today BESIX RED welcomes its Pan-European dimension, its first willingness is to be a local player instead of being the subsidiary of a Belgian real estate development firm working abroad. In each country we enter, we partner with local reference actors to exchange our expertise and better understand the specificities of the local market and its needs. This applies, for example, to some projects in Luxembourg (Félix Giorgetti, Soludec), France (Rabot Dutilleul), The Netherlands (Vorm).

## 2018, growing business

### Context: a changing real estate market

The **densification of urban areas**, as well as sustainability, must be considered when conceiving the city of tomorrow. According to the United Nations, by 2050, two out of three people (+ 2,5 billion people) will live in cities.

At the same time, **digital transformation** has become reality: 'Proptech' belongs to the common language and the number of start-

ups active in real estate is booming, driving a plethora of innovations which reshape the function of tomorrow's residential, office and retail projects.

In this changing landscape of real estate, a new client profile has also emerged, disrupting the business with new needs and key values: 'Millennials'. When it comes to select a place to live, work or even shop, new criterias – such as sustainability, innovative services and experiences – have become as important as location.

This results in the emergence of new demands (co-living, co-working) and a profound disruption of the way developers must approach and design their developments.

By keeping its clients at the centre of its reflection, offering complex and high-quality products while embracing and incorporating the latest innovations, BESIX RED has positioned itself as client-centric developer. In its willingness to leave a positive environmental footprint for the next generations, sustainability remains one of the company's major concerns. As such, BESIX RED brings a long-term approach when conceiving its real estate developments.

### 2018: Deep dive in the figures

2018 was a successful year for BESIX RED, financially as well as in terms of expansion.

Our priorities remained consolidating our Pan-European dimension keeping Belgium and Luxembourg in the centre of our operations. In addition to this we continued focusing on sectorial diversification to increase our presence and expand our know-how in the non-residential market.

#### 1. In our core territories

The continuing positive trend of the Belgian residential property market also contributed to our success. With interest on savings (at best 0.5% or even 0.3% after fees) and mortgage loans at all-time low, combined with inflation around 2%, the residential sector remains a safe investment for investors. A positive trend that also seems to be confirmed for the coming year.



Our strategy, combined with a positive real estate environment, enables us to achieve a turnover of €156.8 MiO (resulting in a ROE of 21.7%). This excellent result has been reached thanks to the dynamic activity of BESIX RED in both non-residential and residential sectors, more specifically in its core countries:

- **BELGIUM** with 10 main residential projects totalling 100,000 sqm:

- **Brussels:** 66,500 sqm;
- **Wallonia:** 7,000 sqm;
- **Flanders:** 26,500 sqm.

- **LUXEMBOURG** where BESIX RED has now confirmed its position as a major actor on both:

- **Residential sector:** 17,000 sqm (SOHO: 150 units);
- the **office market:** > 40,000 sqm With key projects such as Ferrero (Future HQ of Ferrero Group: 30,000 sqm);
- **and other office buildings sold to institutional investors:** Quatuor (4,870 sqm) sold to Monceau Assurance and Impulse (6,453 sqm) sold to Swisslife.

In 2018, not less than 453 apartments were sold and more than 6 projects totalling 89,000 sqm (840 residential units) finalised.

## 2. Acquisitions

2018 was also synonymous of growing business; in terms of projects portfolio as well as geography.



CANAL DISTRICT | BRUSSELS, BELGIUM



MEADOW | HERENT, BELGIUM



MEADOW | HERENT, BELGIUM

## Building for the future

BESIX RED's innovation strategy, settled in 2017, has been applied to our activities in 2018. Our focus was on collecting and analysing information on trends and on co-creating solutions with our partners to perfectly meet our clients' needs and anticipate their future expectations. Client-centricity as well as flexibility and productivity were defined as three main objectives our innovative approach should answer to.

In order to fulfil this strategy, several initiatives have been put in place. An Innovation cell was set up to deepen our reflexion on the cities of tomorrow and to seize innovative opportunities. In order to get in touch with start-ups and even support some of them in the evolution of their concept, we established a close collaboration with Startup Factory in 2018. This enabled us to finalize a partnership with Propchain, a Belgian start up that combines Blockchain and real estate.

Finally, the nomination of our Country Director France confirmed our determination to strengthen our activity in this country, especially in the following four main cities: Paris, Lille, Lyon and Bordeaux.

While working trends are evolving, we integrated those in one of our projects in Luxembourg named Icône. This 18,000 sqm office building will be dedicated to the latest working trends, of which 3,000 sqm will be reserved for co-working spaces.

Digital technology and IoT (Internet of Things) also remained at the centre of our new 'smart' initiatives. In order to offer our clients additional services, we teamed up with a digital platform, named Ziggu. The aim of the tool is to facilitate communication and strengthen the relationships with our clients. And finally, we started a partnership with Bringme smart lockers and mailboxes in several of our projects.

## 2019 - Perspective

Based on the successful developments, our diversified projects portfolio and an innovation-based strategy, we look confidently to the future and are determined to pursue our Pan-European expansion.

This ambition looks even more achievable thanks to our 30 years' experience and knowledge in real estate. A long-term expertise that allows us to identify cities with potential in which we can contribute to their revitalisation with high end residential, offices and retail developments. In this approach, we are also paying close attention to opportunities in strong markets like Germany and the Scandinavian countries.

Our goal is to continually expand in a steady and sustainable way, while keeping our soul. Meanwhile, our clients and their very high satisfaction will remain our main objective.

## SUMMARY

- BESIX RED's expansion remains at a steady pace resulting in a turnover of €156.8 million (+ 8.5% vs. 2017) thanks to its geographical and sectorial diversification but also to its focus on innovation, backed by the financial strength and synergies with the different entities of BESIX Group.
- In 2018, BESIX RED has acquired new sites in Belgium and Luxembourg, adding more than 150,000 sqm of residential and office building to its portfolio.
- Its goal is to continually expand in a steady and sustainable way, while keeping its company's soul. Meanwhile, clients and their very high satisfaction will remain BESIX RED's main objective.
- The company's today's pipeline counts 26 projects totalling more than 500,000 sqm under development, covering 13 cities in 5 European countries.

**Dunant Gardens**  
Belgium

**26,500 sqm**

**201**  
apartments:  
145 classic apartments  
and 56 assisted living apartments

**One**  
bank branch (KBC)

**7**  
retail units

**TIM BOURGONJON**  
Regional Director for Flanders at BESIX RED

*"One request from the city was to preserve the building's initial façade. Beyond a simple conservation, we wanted a harmonious integration of this element into the project and its environment as a differentiating element adding value to the entire project."*



After acquiring several sites in Flanders in recent years, BESIX RED gives concrete expression to its position on Flemish territory with the delivery of its new 'Dunant Gardens' project, a 26,500 sqm residential complex close to the city center of Ghent. Designed by the architects duo Bontinck and Fretton, this reference project gives the city a strong architectural signal and confirms the developer's expertise in urban revitalisation.

Being a reference development for BESIX RED in Flanders, Dunant Gardens is the promoter's latest project in the north of the country. After Herent-Leuven (Meadow, 27,600 sqm of residential premises) and Oudenaarde (Leskoo, 23,280 sqm of residential premises), BESIX RED turned its attention to Ghent, seduced by the local authorities' dynamism and their pro-active approach to revitalising their city. In its spirit of collaboration and with its strategy of faster market penetration, the developer identified Immogra as a local partner to assist this bold development.

Just delivered, this 26,500 sqm residential complex, consisting of 201 apartments, an office area (KBC bank) and 7 retail units, was already sold over 90%.

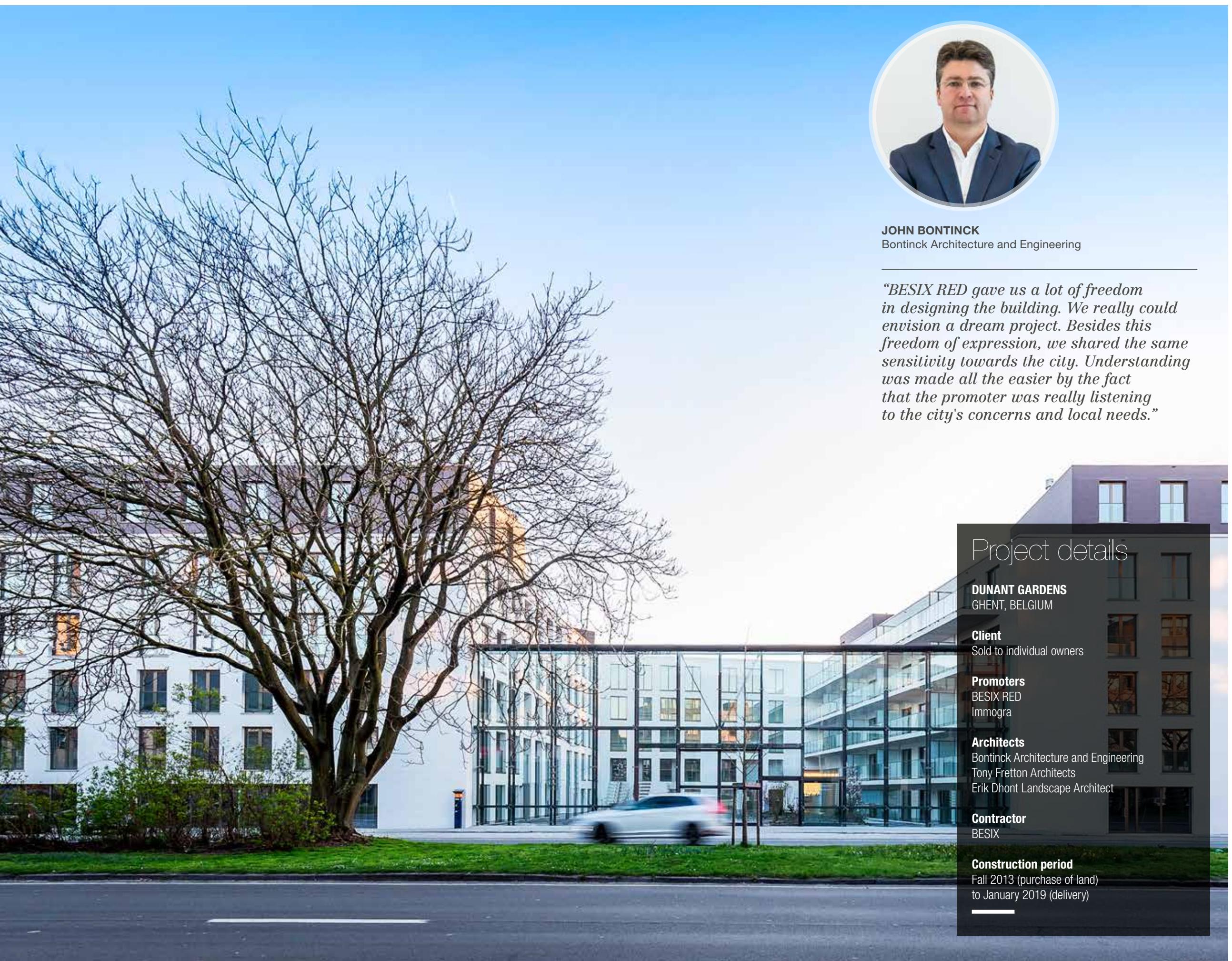
Dunant Gardens owes this success in particular to its high potential location. On the one hand, the building is close to the Blaarmeersen sports, relaxation and nature area, and to the green spaces of the Leie valley. On the other hand, the city centre and its museums (STAM Municipal Museum and SMAK Museum of Contemporary Art) provide the cultural impetus. Not to mention the view its residents have over the Watersportbaan, the 2 kilometre-long five-lane rowing race course in Blaarmeersen.

"When BESIX RED acquired the site at the end of 2013, Dunant Gardens was located in the peri-urban area. The CIAC building (former garage) was an iconic showroom known to all locals. Being this close to the city centre, its location seemed to be a logical extension of the city of Ghent. In addition, the location was conducive to a large-scale residential development which, with a high-quality program, could participate in the revitalisation of the city.

We therefore conceived our project as a bridge between these different environments, with the ambition of offering future occupants not just bricks, but a real life experience," says **Gabriel Uzgen, Managing Director BESIX RED**.

The size of the project has enabled BESIX RED to envision a wide typology of apartments to meet local demands: from studio apartments to penthouses with views onto the 'Watersportbaan'. But also assisted living apartments offering complementary services for the elderly.

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DUNANT GARDENS



**JOHN BONTINCK**  
Bontinck Architecture and Engineering

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*"BESIX RED gave us a lot of freedom in designing the building. We really could envision a dream project. Besides this freedom of expression, we shared the same sensitivity towards the city. Understanding was made all the easier by the fact that the promoter was really listening to the city's concerns and local needs."*

**Project details**

**DUNANT GARDENS**  
GHENT, BELGIUM

**Client**  
Sold to individual owners

**Promoters**  
BESIX RED  
Immogra

**Architects**  
Bontinck Architecture and Engineering  
Tony Fretton Architects  
Erik Dhont Landscape Architect

**Contractor**  
BESIX

**Construction period**  
Fall 2013 (purchase of land)  
to January 2019 (delivery)

### Strong architectural signal for the city

As much as in its location, the strength of the project lies in the quality of its architecture.

Designed by Bontinck Architecture and Engineering and in collaboration with London-based Fretton Architects, Dunant Gardens offers a mix of existing modernist architecture and contemporary elegance. The initial building, not very welcoming and boxed-in between three roads, today gives way to a seductive, elongated building, at right angles, and with four interior gardens. Each apartment looks out both on the street and a garden.

To respect the history of the place, the façade of the old CIAC building on Luxembourg Square has been maintained.

"One request from the city was to preserve the building's initial façade. More than a simple conservation, we wanted a harmonious integration of this element into the new project and its environment as a differentiating element bringing added value to the entire project," says **Tim Bourgonjon, Regional Director for Flanders at BESIX RED**.

The architectural duo was inspired by the style of the existing façade to offer a unique and homogeneous architecture, visually coherent with the original construction.

"BESIX RED gave us a lot of freedom in designing the building. We really could envision a dream project," says **John Bontinck, a partner at Bontinck Architecture and Engineering**. "Besides this freedom of expression, we shared the same sensitivity towards the city. Understanding was made all the easier by the fact that the promoter was really listening to the city's concerns and local needs."

### Customer-oriented innovation

With 56 assisted living units, Dunant Gardens also offers a type of comfort more specific to seniors. Combining large living spaces and new technologies, these dwellings, mixed with the more 'classic' apartments, differ from the often more compact products generally offered within this segment nowadays, usually gathered in the same building, making them look like nursing homes.

Equipped with alarm systems connected to a virtual concierge, these apartments (fitted with the promoter's All One's Life Living technology) offer care services provided by the specialised agency Solidariteit voor het Gezin, from ordering a meal to home assistance for a person with reduced mobility.

This concept, which allows seniors to live longer in their own homes, has proved particularly popular, with 95% of these units sold in just six months.

Tailor-designed to the local fabric, Dunant Gardens combines many special features that offer its occupants a real experience and comfortable living, while at the same time participating in the revitalisation of this district of Ghent. An ambition dear to BESIX RED that Gabriel Uzgen expresses as follows: "When conceiving a real estate program, we pay attention to its immediate environment in order to meet the specific needs of the market we are addressing and to contribute to urban revitalisation. Standardised products do not interest us. Each of our projects is, above all, part of a neighbourhood, a city, a country."



**Casa FERRERO**  
Luxembourg, Grand Duchy of Luxembourg

&lt; 2000

Acquisition of the field (13,800 sqm).

PIERRE GOVARE (LEFT) AND ERIC MORETTI (RIGHT) OF FERRERO GROUP



The outcome of a co-creation within BESIX Group and of exemplary collaboration with local partner Félix Giorgetti, the new world headquarters of agro-food giant FERRERO will be delivered by the end of 2019. This 29,500 sqm building impresses with its discreet, elegant, and at times daring architecture and with its refined interior design, taking the concept of well-being at work very far. For BESIX Real Estate Development (BESIX RED), this real estate project is a reference in terms of expertise; whether legal-financial structuring, architectural design or even technical sophistication.

"Initially, I didn't give the project a 10% chance of success given the complexity of the required legal structure, the potential legal obstacles and problems with neighbours, the need to reroute the originally-planned access road, and finally, strong personalities gathered around the table whom I had difficulty seeing working together," admits **Pierre Govare, Director, Maître d'Ouvrage Ferrero World Headquarters**, remembering the first meeting between the two developers, BESIX RED and Luxembourg company Félix Giorgetti. "And finally, what we have is a magnificent success story of technical know-how and quality, and a good example of collaboration and continuous dialogue between teams serving a common client."

The story of the FERRERO building is indeed an extremely complicated one. "The complexity started well before the architectural or technical aspects of the project as such. Upstream of the conceptual thinking, there was a mass of legal and financial work to be done: different people from different companies had to be brought together on a single dossier, as well as merging the two companies holding the land. Without the financial and legal expertise, this project

could never have materialized," admits **BESIX RED Managing Director Gabriel Uzgen**.

The starting point: the desire of FERRERO Group, currently renting several buildings in the Grand-Ducal capital, to group all its employees under one roof, this time in a building owned by itself. And as close as possible to the airport, a vital location for the group. "After long and unsuccessful searches, we were almost simultaneously proposed the project of promoter BESIX RED and that of its colleague Félix Giorgetti," Pierre Govare remembers. Both, however, were for buildings of 14,000 or 15,000 sqm, whereas FERRERO was aiming at 25,000 sqm (a surface area finally raised to around 30,000 sqm), to house 1,500 people.

"Facing the airport, the location was ideal, but not feasible given the area offered," Ferrero answered the two developers with great regret. This disappointment was short-lived: the two developers – owners of adjoining plots – decided, despite the advanced state of their respective projects, to work together on a common development.

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2013

Q3: 1<sup>st</sup> Building Permit obtention for an office development of 13,800 sqm called 'City Gate'.  
 Contract signature with WUST and LUX TP.  
 Signature of lease contract with a client for 5,800 sqm (40%).  
 Launch of construction of 'City Gate'.

CONSTRUCTION ORDER: € 26.8 million

2014

Start of the discussions with FERRERO GROUP.  
 Interruption of the construction work, implementing program for FERRERO GROUP.



**LAURENT JANSSEN**  
Project manager at BESIX Group

*"On the field, the collaboration between developer BESIX RED and builder BESIX – in this case together with two subsidiaries Lux TP and Wust – was a great asset given the technical challenges that occurred along the way. Being part of one family makes it possible to be much more proactive in coming up quickly with appropriate technical solutions. On the FERRERO project, the companies have worked in fusion mode, far beyond simple synergies. BESIX Group's experience in large-scale building projects was another asset. BESIX immediately put into action a team matching the size of this project."*



2015

Joint venture with F. GIORGETTI SA to allow a total project of 29,500 sqm.  
 2<sup>nd</sup> Building Permit introduction for a 29,500 sqm Office project.  
 Preparing all development contracts with FERRERO GROUP.

"Our initial project (City Gate) covered 13,800 sqm. In 2014, when the idea of a collaboration with Giorgetti was launched, we were already well down the road: we had the building permit since 2013, a rental contract for 5,800 sqm already signed and construction work (€ 26.8 million) already launched by our sister companies Lux TP and Wust. This would mean starting again from scratch and doing even better! Excellence at BESIX is a bit like this," says **Bernard Van Essche, Key Account Development BESIX RED**, with a smile.

"The FERRERO building is a perfect illustration of teamwork spirit and continuous co-creation that exists between the partners and also between BESIX Group entities. The legal and financial spadework produced such an effective and attractive result that FERRERO ultimately decided to acquire (in full ownership) the company holding the construction rights for the building. This outcome demonstrates once again that BESIX RED's added value lies as much in the attention paid to a project's financial and legal structuring, as in its architectural, programmatic and technical design," says Gabriel Uzgen proudly.

#### Flexibility at all times

With the legal and financial transaction finalised, the conceptual design could be started, which in turn increased the complexity of the project. "The promotional building initially proposed by BESIX RED was radically modified and integrated into a global project twice its size. But, remarkably, the new global architectural project submitted early in 2015 by Perry Weber architects, while integrating the constraint of the initial BESIX RED project, immediately won the unanimous and enthusiastic support of all stakeholders," adds **Eric Moretti, Project Manager FERRERO World Headquarters**.

The interior design of the building was defined bit by bit, as construction progressed. "It was more complicated this way, but we really appreciated the flexibility of the Group, especially the builders (BESIX, Lux TP, Wust & ...), because more than once we made major changes to our requirements and needs. But also the Group's concern for quality. To the extent that the developer-builder itself has made improvements beyond what was planned," says Pierre Govare.

2016

Q1: 2<sup>nd</sup> Building Permit obtention.  
 Merging the 3 companies to allow a new development of 29,500 sqm.  
 Q3: Start of the construction work.  
 Sale of the shares of Treves Offices, developing the project, to FERRERO GROUP.

CONSTRUCTION ORDER: € 90 million

Eric Moretti: "The interior needed to feel Italian, light and with warm colours. The central atrium has been designed as a village square, full of colours and life. The project as a concept and in its architecture is a reflection on FERRERO Group, but in the first place it is foreseen as a living space for its future occupants".

"With its imposing size and architectural style, the building projects the exterior image of a large, dynamic and solid multinational company. It's elegant, but without going over the top or trying to be showy," Pierre Govare adds. This does not exclude some architectural feats of daring, such as the huge 'cap' overlooking the entrance, without support columns. Or the interior walkways, staggered and in very complex shapes. "It was very complicated, but each time our BESIX Group-Giorgetti partners were keen to pick up the technical challenges and find solutions to obtain the purest architectural design possible. We know others who would have opted for the easy path. It is certainly this constant search for excellence that Eric and myself have most appreciated in our collaboration with BESIX RED-Giorgetti."

#### More than synergies

"Understanding between the developers was perfect because we share values such as Excellence and Client Centricity," says Bernard Van Essche. The guiding concept of the entire development has been this ongoing dialogue and attention to detail – both inside BESIX Group and between peers – which ultimately translates into a reference project and great customer satisfaction.

The result: a real bespoke building, with exceptional comfort and innovative design right down to the desks and chairs. These requirements for well-being and innovation have been easily met by BESIX RED, which clearly shares them.

The FERRERO building is a reference project for the tertiary sector, combining flexibility, space optimisation, ergonomics and new ways of working. It is, moreover, a flagship project for BESIX Group as much as for its client: "With such a building, people continue to talk about us, as well as these two developers in Luxembourg," Eric Moretti says enthusiastically.

FERRERO

2019

Co-creation meetings between:  
 - Contractors: BESIX / LUX TP / WUST / F. GIORGETTI  
 - Developers: BESIX RED / F. GIORGETTI  
 - Client: FERRERO GROUP.

**BERNARD VAN ESSCHE**  
Key Account Development BESIX RED

*"Understanding between the developers was perfect because we share values such as Excellence and Client Centricity. The guiding concept of the entire development has been this ongoing dialogue and attention to detail – both inside BESIX Group and between peers – which ultimately translates into a reference project and great customer satisfaction."*

## Project details

**FERRERO BUILDING**  
LUXEMBOURG, GRAND DUCHY OF LUXEMBOURG

**Client**  
FERRERO Group

**Developers**  
BESIX RED  
Félix Giorgetti SA

**Architects**  
Perry Weber and Associates AKDV

**Contractors**  
BESIX, Lux TP and Wust  
Félix Giorgetti SA

**Contract value**  
€ 90 million

**Construction period**  
2014 to 2019