

EMIRATES REIT SELLS HALF AN OFFICE FLOOR IN INDEX TOWER, DIFC, AT AED 3,350 PER SQ. FT

10 June 2021

Dubai, 10 June, 2021 – Equitativa (Dubai) Limited (“Equitativa”), manager of Emirates REIT (CEIC) PLC (“Emirates REIT” or the “REIT”), announced today that Emirates REIT has sold half of a shell and core office floor in Index Tower in the Dubai International Financial Centre (DIFC) for AED 40 million.

The sale, at a value of AED 3,350 per sq. ft, represents a valuation gain in excess of c. AED 18 million compared to the latest valuation of the space¹.

Occupancy of Index Tower’s office units as of June 10, 2021 stands at 59%, up from 50% at end of 2020, demonstrating the recovery in demand underway for high quality real estate in Dubai. Since the beginning of 2021, more than 24,700 sq. ft of Index Tower’s office area have been leased, mainly as premium offices (fully fitted and furnished premium offices from 1,200 to 2,900 sq. ft).

Commenting on the sale, Sylvain Vieujot, Group Chairman of Equitativa, said: “We are very pleased to have completed this accretive divestment for our investors. It highlights the intrinsic value of our marquee asset and it’s growing attractiveness. It also demonstrates a steady return of investor confidence to the Dubai property market in the post COVID-19 environment, and especially in high quality, prime real estate assets. We believe the REIT is increasingly well positioned to implement its turnaround strategy and deliver on the many opportunities across its portfolio.”

The company reiterated that the REIT’s assets are independently valued on a quarterly basis by reputable international firms. As per Dubai Financial Services Authority (DFSA) regulations, valuation reports undertaken by independent valuers shall be determined once a year. Equitativa provides three additional quarterly valuation reports per year, undertaken by independent valuers, to allow investors to make an informed judgment on the activities of Emirates REIT.

The independent valuers of Emirates REIT’s portfolio over the last six months have included CBRE, JLL, and Cushman & Wakefield.

Located in a prime location in the heart of DIFC, Dubai, Index Tower is an impressive 80 storey building with commercial, retail, residential and leisure components. Index Tower boasts 25 commercial floors with large and efficient floor plates, as well as a high-end mall directly connected to DIFC Gate Avenue.

Upon completion of the divestment, the REIT remains the principal owner within Index Tower with c. 79% of the office floors. Emirates REIT’s ownership in Index Tower comprises of:

- 38 retail units representing 60,180 sq. ft
- 355,856 sq. ft of office space
- 1,509 car park units

Emirates REIT’s total portfolio comprises 11 properties across Dubai with a Net Leaseable Area of 2.35 million sq. ft.

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¹- Valuation of the space, conducted in May 2021 for this divestment.

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ABOUT EMIRATES REIT: Emirates REIT, (Nasdaq Dubai: REIT; ISIN: AEDFXA1XE5D7), is a Dubai-based real estate investment trust investing principally in income-producing real estate in line with Shari'a principles. It currently owns a well-balanced portfolio of 11 assets in the commercial, education and retail sector.

ABOUT EQUITATIVA GROUP: The Equitativa Group is a leading regional asset manager focused on creating and managing real estate investment trusts (REITs). The group offers innovative risk-adjusted, income generating financial products that cater to institutional and retail investors. As the founder of the UAE's first Shari'a compliant REIT, Emirates REIT, Equitativa is today one of the largest REIT manager in the Gulf Cooperation Council (GCC) countries and one of the biggest REIT Managers for Shari'a Compliant REITs in the world. In the UAE, Equitativa manages two leading REITs: Emirates REIT and The Residential REIT, the latter incorporated in Abu Dhabi Global Market.

