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## Property Investor Europe News

### French Tour Eiffel's €104m asset sales put 50% LTV goal in sight

16 May 2013, 07:05 AM

French REIT/SIIC Société de la Tour Eiffel said it has agreed €103.5m of non-strategic asset sales this year, putting it well on the way to a goal of cutting loan-to-value to below 50%.

STE said it sold €34.3m of assets in the first quarter, reducing LTV to 54.3%. And it has reached agreement on a further €69.2m of disposals expected to close in the coming weeks. These relate to large assets in the French regions that have undergone successful asset management aimed at increasing their liquidity. These are expected to cut LTV to 50.6%.

In March the company said it was aiming to sell €180m-€210m of assets that do not fit with its new Paris office-focused strategy over the next two years, and set an initial goal of cutting LTV to below 50% this year. It already disposed of €70m of assets in 2012, cutting the value of its portfolio to €915m from €999m and trimming LTV to 56% from 57.6% at end-2011.

Under its new strategy STE is looking to concentrate on Paris offices with annual rents of €250-€450 per sq.m., the area of the market most in demand among large companies. Rental income fell 4% to €16.8m in the first quarter as a result of the disposals, growing 5.9% like-for-like. A French holding company controlled by Chuc Hoang, a French businessman of Vietnamese extraction, recently acquired an interest of almost 11% in STE, but said it has no intention of taking control or of changing the REIT's strategy. pie

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23 May 2013

London, UK

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18 June 2013

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