

Orava Residential REIT plc

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STRATEGY UPDATE OF ORAVA RESIDENTIAL REIT PLC

The Board Of Directors of Orava Residential REIT plc has confirmed the company's updated strategy for 2016.

The strategic financial objectives remained unchanged: the targeted total return on the share shall be at least 10% p.a., the targeted dividend yield shall be 7–10% p.a. on net asset value per share, and the loan to value shall be approximately 50%.

In addition to the financial objectives, the main strategic objectives are:

- increasing equity to EUR 110 million in 2016 and maintain at least ca. 20% p.a. growth over the medium term
- further diversifying the sources of debt financing
- increasing the economic occupancy rate to over 95%
- reducing property maintenance costs to 5% and repair costs to 10% below the statistical benchmark, and
- apartment sales 5-10% of the value of investment assets on the opening balance sheet.

The regional and age distribution objectives for portfolio management were updated. According to the updated regional distribution objective, 53% of the market value of apartments shall be located in the Helsinki region, 22% in large towns and 25% in medium-sized towns with a variation range of plus minus approximately 10 percentage points. The age distribution objective remained unchanged. The weighting of properties completed in the 1990s and afterwards shall be 51%, and the weighting of properties completed before 1990 shall be 49% plus minus approximately 10 percentage points calculated from the market value of the investment portfolio.

Board of Directors

Additional information

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