



MEDIA RELEASE FROM EMIRA PROPERTY FUND

12 July 2016

***Emira signs WSP Parsons Brinckerhoff for the first phase of its major R795 million redevelopment of Knightsbridge, Bryanston***

Emira Property Fund today announced it has signed an agreement with WSP|Parsons Brinckerhoff for approximately 5,800m<sup>2</sup> of premium quality sustainable head office space at its leading-edge Knightsbridge office park development in Bryanston.

This transaction triggered the first phase of Emira's R795 million total redevelopment of the excellently placed park, formally known as Knightsbridge Manor. WSP|Parsons Brinckerhoff's head office will be the first of seven buildings developed at the park, which will more than triple the size of the offices at Knightsbridge. The new office park will also boast a minimum 4-Star Green Star SA rating from the Green Building Council of South Africa.

Construction at Knightsbridge began in January, and WSP|Parsons Brinckerhoff will begin working from its smart new address on Sloane Street, opposite Dimension DataCampus, from September 2017.

Geoff Jennett, CEO of Emira, comments: "We're thrilled to partner with WSP|Parsons Brinckerhoff for their new head office, and to develop a P-grade, resource-efficient green building that supports their business goals."

He adds: "Redeveloping Knightsbridge supports Emira's strategy of improving the quality of certain B-grade office stock. It will significantly increase the value, attractiveness and competitiveness of the property."

Jennett reports that Emira's Knightsbridge development responds to demand for offices in the Bryanston area. It also leverages the park's prime location in this growing business hub. Knightsbridge is on Sloane Street, one of Bryanston's key arterial roads, with quick access to the N1 highway.

"Bryanston is fast becoming the preferred alternative to Sandton for blue-chip businesses and large A-grade and P-grade office users," says Jennett.

Bryanston is the fourth largest office node in Johannesburg after the CBD, Sandton and Midrand. It has relatively high office occupancies. According to SAPOA, Bryanston's office vacancies were 6.2% for Q2:2015, compared with a national average of 10.6%. It's also an area that is upgrading and



developing, especially around Nicolway Bryanston shopping centre, Ballyclare Drive and Main Road. New offices are quickly finding tenants.

Welcome news for anyone who uses the roads in this area, Emira's project will result in the upgrade of the intersection of Sloane Street and William Nicol Drive. This strategic upgrade will also benefit Emira's nearby Epsom Downs Shopping Centre and Office Park.

The three-phase Knightsbridge redevelopment programme will take three-and-a-half years, and will create 29,352sqm of P-grade, certified green, office space.

Originally built in the mid 1980's, Emira acquired Knightsbridge Manor in 2003. Despite cosmetic refurbishments, the park's buildings have dated and are attracting B-grade rentals in an area characterised by A-grade and P-grade offices.

Jennett explains: "While Emira initially considered an upgrade for the park, it quickly became clear its complete demolition and redevelopment would be a much better option to boost its value and performance."

The redevelopment will increase its size by 19,468sqm, from its current 9,884sqm, and sufficient power has been confirmed for the site. WSP|Parsons Brinckerhoff will be providing all engineering services to the redevelopment of the park, including civil, structural, mechanical, electrical, fire, wet services and electronic, while also assuming the role of sustainability consultant.

Defined by quality design, materials and finishes, the new generation Knightsbridge business park will feature standby generators and back-up water supply.

This will be complemented by resource-efficient state-of-the-art mechanical and electrical installations including a chilled water system, lighting sensors, access control, CCTV and rainwater harvesting for irrigation. It will also have the built-in capacity to place PV panels on the roofs and offer its users generous parking.

"The redevelopment will take place in three phases to spread letting risk. This also ensures as much of the property as possible continues to produce income throughout the development," says Jennett.

With the WSP|Parsons Brinckerhoff transaction, the first phase of Knightsbridge Manor's redevelopment is basically 50% pre-let. It will comprise three buildings of a combined 12,464m<sup>2</sup> of office space which will take 19 months to develop for completion in August 2017. Subsequent phases will be market driven and will follow in succession.



While the buildings are ideal for large corporates, they are designed with flexible floorplates to provide the best size for different kinds of businesses.

Jennett notes: “The major redevelopment and expansion of Knightsbridge is an excellent example of how Emira is continuing to re-invest and improve the quality within our standing portfolio of assets. We will continue to look for exciting ways to grow and create value for investors.”

Emira is a diversified mid-cap REIT invested in a quality balanced portfolio of office, retail and industrial properties. Its assets comprise 146 properties valued at R13 billion. Emira is also internationally diversified through its 4.9% direct holding in ASX-listed GOZ, valued at R942,7 million. Combined, its total assets come to R14 billion.

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