



MEDIA RELEASE FROM EMIRA PROPERTY FUND LIMITED

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Emira makes its fourth USA shopping centre investment - continues to recycle capital and rebalance its portfolio

Emira Property Fund today announced it has invested in its fourth shopping centre in the USA, growing its exposure in the biggest market in the Western world and progressing its international investment strategy.

The JSE-listed REIT has undertaken its fourth equity deal in the USA with its in-country partners, the Rainier Group of Companies. Emira acquired 49% of Stony Creek Marketplace, a dominant power centre valued at USD32 million, located in Noblesville, Hamilton County in the State of Indiana.

The investment represents a cash-on-cash return of 11.7% in USD for Emira, on a net cash equity investment of USD6.5 million. The investment was funded from Emira's existing balance sheet, chiefly with the proceeds of its programme of asset disposals from its portfolio rebalancing plans.

This deal takes Emira's exposure to the USA to 3% of its total assets and its international exposure in developed markets to 9% of total assets including its investment in ASX-listed Growthpoint Properties Australia (GOZ).

The latest addition to Emira's USA portfolio is a 204,000sqf convenience retail power centre located in Indiana, near to two of Emira's existing investments in Ohio. The centre is in the Indianapolis metro area, which ranks very highly on the best places for business in the USA and boasts a low unemployment rate of a mere 3.1%

Stony Creek Marketplace is shadow-anchored by a 162,000sqf Meijer grocer, which forms part of the centre but is owned by the grocery chain. The modern convenience centre was originally constructed from 2003 to 2005 and has since been regularly refurbished.

The property asset is 98.9% leased with 79% of its space let to nationals including TJ Maxx, Home Goods, Best Buy and PetSmart. It has a weighted average lease expiry of 3.9 years.



Geoff Jennett, CEO of Emira Property Fund, comments: “With this transaction Emira benefits from growing exposure to the attractive value available in the USA in our chosen market segment. We have targeted investment in grocery-anchored convenience retail centres in resilient markets located in some of the major southern and central states. We are confident that our low-risk co-investment strategy in the USA remains the most prudent way to increase our international diversification into this developed market.”

On the home front, Emira continues to recycle its capital by disposing of certain assets in accordance with its portfolio rebalancing plans. So far this calendar year it has sold and transferred three assets - two offices and one non-core retail property - for a combined R250 million. This adds to the tactical impact of its R236 million of disposals made in the latter half of 2017 when Emira sold six further assets.

Jennett adds: “These transactions continue to deliver on Emira’s strategic thrust to rebalance our portfolio and reduce our exposure to offices. In addition, we have achieved disposal prices at an average premium to book values, which signals that our properties remain fairly valued in line with our robust financial management approach.”

Emira is a medium-cap diversified JSE-listed REIT that is invested in a quality, balanced portfolio of office, retail and industrial properties. Its directly held assets comprise 111 properties valued at R12.7 billion and indirectly 21 shopping centres valued at R900,8 million through its exposure to Enyuka. Emira is also internationally diversified through its investment in ASX-listed GOZ valued at R940.4 million, and its equity investments in four grocery-anchored convenience centres with a combined value of USD32.2 million through its USA subsidiary.

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