



NEWS RELEASE FROM EMIRA PROPERTY FUND LIMITED

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***Emira adds another two shopping centres to its USA retail property portfolio***

Emira Property Fund has made two further equity investments into grocery-anchored dominant shopping centres in the USA, both located in the state of Texas.

This furthers Emira's growing US investment strategy through which it has now assembled a portfolio of eight value-focused retail centre assets in thriving states of the world's largest economy.

Geoff Jennett, CEO of Emira, says: "Our latest acquisitions strengthen the value and quality of Emira's equity in its US retail portfolio and take its value to USD61m, or more than R850m."

Emira's US retail property exposure is now almost 6% of its total portfolio. This places Emira on track to achieve its goal of 8% of its total assets in the US by June 2019.

The JSE-listed REIT co-invests in the US with its in-country partners, the Rainier Group of Companies.

The seventh shopping centre to be included in its US portfolio is the 150,000sqf San Antonio Crossing in Texas. The centre is 100% let and 88% occupied by national tenants and has a 7.6-year weighted average lease expiry (WALE). It is shadow-anchored by Texas-based grocery chain H-E-B Plus!.

The shopping centre is well located at one of the busiest intersections in the high-growth area of San Antonio, which has a population of 1.5 million people, a diversified economy, and was the fastest growing city in the USA in 2016/17.

San Antonio Crossing was acquired for USD24m at an 8.85% initial capitalisation rate. Emira's equity investment totals USD4.15m at an 11.2% initial yield. The property transferred in February 2019.

The eighth shopping centre acquired by Emira's US partnership is Wheatland Towne Crossing in Dallas, Texas. The 206,000sqf open-air, value-oriented centre is shadow-anchored by mega-retailer Target. It is 99% occupied and 90% let to national credit tenants. The centre has a WALE of 4.4 years.

Wheatland Towne Crossing is situated at a major highway interchange in Dallas-Fort Worth, which is the fourth largest metropolitan area in the US, and the country's largest inland metro.



The retail centre was acquired for USD32.2m at an 8.67% initial capitalisation rate. Emira's equity portion of the investment is USD6.3m, made at an initial yield of 10.95%. The property transferred at the end of March 2019.

"Both centres further our US investment strategy and are true to Emira's criteria of investing in open-air, value-orientated retail centres with grocery stores as anchors or shadow-anchors," notes Jennett.

He adds, "we will continue to grow our investment in the US together with our American partners on an incremental deal-by-deal basis, targeting assets that we believe are undervalued and have secure income streams and the potential for capital appreciation over time."

Emira is a medium-cap diversified REIT that is invested in a quality, balanced portfolio of office, retail, industrial and residential properties. At 31 December 2018, its directly held assets comprised 104 properties valued at R12.5bn. It invests indirectly in 22 shopping centres valued at R1.04bn through its exposure to Enyuka Property Fund. It also has a 34.9% holding in JSE AltX-listed Transcend Residential Property Fund. Emira is internationally diversified through its investment in ASX-listed Growthpoint Properties Australia (GOZ) valued at R941m, and its equity investments in eight grocery-anchored open-air convenience shopping centres with a combined value of USD61m through its USA subsidiary.

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