

MEDIA RELEASE FROM GROWTHPOINT PROPERTIES AND CONSOLIDATED STEEL INDUSTRIES

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Consolidated Steel Industries improves efficiencies in customised new Isando facility, in Growthpoint's largest industrial leasing transaction yet

Growthpoint Properties and Consolidated Steel Industries (CSI) have concluded a landmark multifaceted transaction that will bring several of CSI's Gauteng's operations together under one roof in Isando, boosting its efficiencies and furthering its business strategies.

In Growthpoint's largest manufacturing sector transaction, both by deal value and square metres, CSI now occupies its new Isando facility on a ten-year triple-net lease basis. Located on the corner of Quality and Barlow Roads, the premises will be used for manufacturing, storing and distributing its impressive range of aluminium, stainless steel and roofing products. It spans a whopping 48,000sqm, made up of 44,500sqm factory and warehouse space and 3,500sqm of offices.

CSI, a subsidiary of Tiso Blackstar, has recently merged its two principal operating divisions, Global Roofing Solutions and Stalcor. Stalcor is a dynamic, leading stockist and distributor of a wide range stainless steel and aluminium products. Global Roofing Solutions consists of leading South African roofing brands under the Brownbuilt and HH Robertson banner, making it one of the largest metal roofing and roofing accessory manufacturers in South Africa. It also includes subsidiaries Helm Engineering and Stampede Compaction and holds the brands Zip-Tek, Klip-Tite, Klip-Lok, Nu-Rib, Bond-Dek, Bond-Lok, Arma-Tile, Uni-Tile and QC Flooring, among other well-known trade names.

Growthpoint is South Africa's largest REIT and a JSE ALSI Top 40 Index company. It owns and manages a diversified portfolio of 471 properties in South Africa, 53 properties in Australia through its investment in GOZ and a 50% interest in the properties at V&A Waterfront, Cape Town. Growthpoint's consolidated property assets are valued at over R100 billion.

Engelbert Binedell, Growthpoint Industrial Division Director, says his team is thrilled to have a leading South African business like CSI as a partner in Growthpoint's largest industrial facility.

Binedell comments: "This is a significant transaction for Growthpoint and it has proven to be unique and multifaceted. We've worked closely with CSI to optimise this property to meet its business needs, invested considerable capital of R40 million in refurbishing the facility to client specifications and acquired two new properties as part of the transaction. All this was achieved within an exacting timetable. We are exceptionally pleased with the results."

Chris Ransome, Executive Chairman of CSI, states: "This is a landmark development for our newly merged Stalcor and Global Roofing Solutions businesses which have a history spanning over 60 years. The Growthpoint team have delivered an exceptional, cost effective and all-encompassing solution to our bespoke property requirements in both Gauteng and the Western Cape."

The multi-layered transaction builds on several proven relationships. Growthpoint and CSI have collaborated on other properties, with Growthpoint recently concluding a five-year lease with Stalcor in an 8,526sqm warehouse in Epping, Cape Town. In addition, CSI is replacing Robor as the tenant in the Isando building, and both are subsidiaries of Tiso Blackstar.

The standing relationship with Robor helped drive the building's refurbishment forward swiftly, as it allowed Growthpoint early access to begin the renovation of the factory floor and offices. This valuable preparation time meant that CSI was able to operate from its smart new facility only a month after Robor moved out, even with the large-scale refurbishment of the entire premises.

Jason Reeves, of Growthpoint's Industrial Property team, explains that due to Robor's former tenancy, CSI was well aware of the property and all of its attributes. "It is an ideal location that consolidates CSI's various divisions in a single facility to optimise the efficiencies within its business."

A sought-after industrial area, Isando benefits from close proximity to OR Tambo International Airport. It is well located between the R24 and N12 with easy access onto these arterials at various points. The area is well served by public transport - buses, taxis, trains and Gautrain - allowing staff to commute easily to and from work.

Reeves adds: "As a long-standing industrial centre, Isando has substantial power supply for manufacturing concerns. Its property is reasonably priced, with a mix of older properties and new properties. As a growing node, landlords are also showing an appetite to invest in upgrades."

Growthpoint's refurbishment of the property was extensive. The upgrade involved the casting of a 10,000m² concrete floor in the factory area, constructing a new 2,500m² office block and a complete upgrade to all the existing offices with new carpets, ceilings and energy-efficient lighting and air conditioning.

All the polycarbonate sheeting on site will be replaced to ensure the maximum use of natural light in the warehouse area. Growthpoint also added energy-efficient lighting to the factory area, which received new bathrooms too.

Ensuring a comfortable working experience, staff and canteen facilities were revamped and a shaded car park, with space for around 175 staff cars, was added.

Growthpoint is also providing 30 cranes, two weighbridges and a security camera system on the premises, all of which will be incorporated into the rental to ensure CSI has all the necessary equipment on site, supporting cost efficiencies.

As a highlight of the facility, the newly developed 2,500m² office block, is constructed incorporating the use of CSI's own steel roofing products into the new, modern design - creating a functional showcase of its own products and capabilities.

As part of the transaction, Growthpoint acquired two properties previously occupied by CSI. They are the 22,000sqm Global Roofing Solutions building in Anderbolt, Boksburg, and the 4,700sqm

Stalcor building in Eastgate Extension, Marlboro. CSI's divisions from these buildings will move to the Isando facility, and Growthpoint will incorporate the properties into its portfolio to optimise their use.

CSI began operating from its new premises in January.

Binedell says: "This transaction and upgrade reflects Growthpoint's drive to optimise our industrial property portfolio and create better buildings for businesses to thrive and secure their industry footprint."

He adds: "Especially pleasing is that we will have more than a tenant in CSI, they will also be an integral service provider to the broader Growthpoint community." Growthpoint's industrial team gives a priority to using the services and products of its tenants for the projects they undertake.

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