

## MEDIA RELEASE FROM EMIRA PROPERTY FUND

8 June 2017

### ***Innovative Emira rural retail partnership, Enyuka, grows its portfolio***

Emira Property Fund officially launched the specialised Enyuka Property Fund in partnership with ONE Property Holdings earlier this year, and already Enyuka's portfolio of retail properties is growing.

It has acquired five new shopping centre assets. Enyuka's original portfolio of 15 rural retail assets now stands at 20, which equates to a 31% increase in the portfolio in terms of square metres.

The final step for the groundbreaking Enyuka transaction was getting the go-ahead from the Competition Authorities, which was granted in early 2017 making this new Emira associate business a compelling reality.

Enyuka is a formidable specialised fund, joining the expertise of a respected real estate investment fund and skill of a specialised retail property development fund. Emira holds a 49.9% share of the ordinary equity in Enyuka, and ONE a 50.1% stake. Both are hands-on in deciding for the fund. The same applies for the portfolio, with a 50/50 asset management joint venture.

Together, the partners will grow their retail assets in Enyuka – which means 'ascend' in Zulu – and build a larger lower LSM retail portfolio.

Enyuka started out with Emira's R575 million portfolio of retail properties, a R50 million cash contribution and a gearing cap of 50%, securing resources for immediate acquisitions and developments of a further R625 million. In addition, Enyuka had a pipeline of R400 million of similar assets. Also, Enyuka has first right on opportunities for lower LSM retail coming from both ONE and Emira.

Boosting its original portfolio, Enyuka recently acquired the 6,800sqm Jock of the Bushveld Centre in Barberton, which counts Pick n Pay, ABSA and Mr Price among its tenants. It also acquired the 2,800sqm Boxer Centre in Hluhluwe, with tenants including Boxer, KFC and Dunns.

In addition, three properties are in the process of transfer. They are the 6,600sqm Turfloop Centre in Turfloop, with big tenants Pick n Pay, Barnetts and FNB; the 2,300sqm Boxer Centre in Melmoth with major tenant Boxer; and the 4,900sqm Richmond Plaza in Richmond, with tenants that include Boxer, Lewis and Capitec.

Currently, Enyuka has a further R500 million under negotiation.

Geoff Jennett, CEO of Emira Property Fund, says: “Enyuka adds real value from our lower LSM retail portfolio. Enyuka grows Emira’s rural retail portfolio faster than is possible within our existing structures. In Enyuka, these properties will deliver the same income yield to Emira, with capped annual escalations. Anything returned above the benchmarks is shared within the venture. What’s more, Emira gains the added benefit of returns from the acquisition pipeline above a target benchmark, including Enyuka’s latest shopping centre acquisitions. It also profits from its stake in an actively managed and growing base of lower LSM retail assets.”

ONE is chiefly responsible for the Enyuka portfolio’s growth through acquisitions and redevelopments, and with Emira it also undertakes the agreed asset management operations.

The portfolio is expected to grow in critical mass within the next three to five years, which will open new opportunities and prospects, when its direction will be re-evaluated. Its latest acquisitions further this vision.

“Enyuka is an exciting strategic partnership and we’re pleased to take this shared vision forward,” says Jennett. “By venturing with ONE, we enjoy added benefits and transactions. We keep exposure to our portfolio of rural retail assets and effectively use them to fund the growth of our lower LSM retail assets at a faster pace.”

Emira is a medium-cap diversified JSE-listed SA REIT invested in a quality balanced portfolio of office, retail and industrial properties. Its assets comprise 142 properties valued at R13.3 billion. Emira is also internationally diversified through its direct interest in ASX-listed GOZ valued at R940.4 million.

ONE is represented by Chairman Selwyn Smith and CEO Chris van Reenen. ONE Property Holdings is an unlisted capital growth fund with an existing retail property portfolio. The group currently has invested in a portfolio of nine shopping centres of over 129,000sqm of retail space valued around R1.2 billion and a pipeline of a further R1 billion.

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Issued by

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