



MEDIA RELEASE

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Vukile's Maluti Crescent Shopping Centre to get a R340 million major redevelopment

Maluti Crescent Shopping Centre (formerly Setsing Crescent) in Phuthaditjhaba, Free State, is receiving a major redevelopment and expansion boost from JSE-listed Retail REIT Vukile Property Fund, which will see it becoming the largest shopping centre in its town.

The R338 million project will add 12,357sqm to the centre, taking it to a total 34,360sqm. At the same time, the development is cleverly planned to transform Maluti Crescent from a strip mall to a modern, enclosed shopping centre. The project will also add a new undercover taxi rank of 100 bays and more parking.

Vukile acquired Maluti Crescent in its acquisition of the retail portfolio of the former Synergy Income Fund, two years ago. Vukile quickly identified the opportunity to unlock greater performance from this asset. The centre's major upgrade responds to shopper demand and Maluti Crescent's excellent trading metrics. Construction on the far-reaching project broke ground this month. It is scheduled for completion in October 2018.

Commenting on the extensive redevelopment, **Executive Asset Manager at Vukile, Itumeleng Mothibeli, says:** *"This major investment in Maluti Crescent is backed by Vukile's data-driven asset management. The strategic project will ensure the shopping centre is dominant in its market and is enhanced with strategic improvements that support its trading. For Vukile, this redevelopment has a projected net yield of 8.5% for its first year after completion. Vukile's investment will also extend the lifecycle of this shopping centre asset and position it to better meet the modern retail needs of the 80,000-plus households of Phuthaditjhaba, as well as its surrounds."*

Phuthaditjhaba (formerly QwaQwa or Witsieshoek) is in the foothills of the Maluti mountains of the Drakensberg. It is at the junction of the R57 and R712, which runs along the majestically scenic route from Harrismith, through Golden Gate Highlands National Park, and onwards to Clarens.

A former homeland capital, Phuthaditjhaba is a central gathering place where it is natural for people to come together to work, learn, meet, shop, socialise and be entertained. It is the headquarters of the region's District and Local Municipality, as well as home to many community facilities.

At the heart of this is the existing 22,000sqm Maluti Crescent which is anchored by a SuperSpar, Game, Cashbuild and Woolworths, all five major banks and a strong line-up of national fashion retailers



Vukile has appointed leading shopping centre developers and leasing specialists Flanagan & Gerard Property Development and Investment as the development managers for the innovative redevelopment and expansion of Maluti Crescent.

Paul Gerard, Managing Director of Flanagan & Gerard Property Development and Investment, comments: *“The established shopping centre is a great foundation from which to develop this reimagined retail property asset. Its conversion into a closed mall will be an exciting improvement on the current open mall shopper experience. The new centre’s fresh, modern look and feel, with highly convenient access and visibility as well as a shopping environment that protects the customer from the harsh weather, will allow Maluti Crescent retailers to optimise their trade. This will provide future growth for its retailer’s turnovers and make Maluti Crescent the dominant retail centre in the region.”*

Mothibeli reports the upgrade of Maluti Crescent will add a second food anchor, Pick n Pay. It will also provide space for national retailers to expand their footprints in the centre to optimise their excellent trading densities. The retail mix will be strengthened with expanded stores from Woolworths, Truworths, Identity, Foschini, and Sportscene.

The redevelopment will also introduce new retailers to the centre’s retail mix. Gerard confirms that brand that will be joining the Maluti Crescent opportunity include Mr Price, Relay, and Donna, as well as a variety of independent national and local retailers.

**** To enquire about leasing at Maluti Crescent Shopping Centre email Jonathan Shutte at js@fgprop.com and for development related issues email Andrew Russell at ar@fgprop.com.***

About Vukile Property Fund:

Vukile is a high-quality, low-risk Retail REIT with total assets of R18.7 billion. Some R14.8 billion, or 79%, is invested in South African property assets, either through direct property assets or indirectly via Fairvest Property Holdings, which invests in a portfolio of smaller retail centres, and Gemgrow Properties, which invests in a portfolio of higher-yielding properties. The remaining 21% (R3.9 billion) is invested internationally in developed markets via an investment in Atlantic Leaf, which is Vukile’s UK investment vehicle; as well as in Castellana, which is Vukile’s Spanish investment vehicle.

About Flanagan & Gerard Property Development and Investment:

Flanagan & Gerard develops and invests in dominant regional shopping centres as well as high-end niched community centres that retain the dominance with their trade areas. As developers, the company works on all facets of property development. The company’s sole focus on retail and, with over 75 years of combined development experience, it has established a sterling reputation as a prosperous partner for retail property owners and tenants alike. Flanagan & Gerard’s most recent developments include Springs Mall and Thavhani Mall, both of which are co-owned by Vukile.



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