



Redefine concludes acquisition of Macsteel's property portfolio and de-risks 90 Grayston development

Tuesday, 12 August 2014 - Redefine Properties today announced two significant events that advance its growth strategy.

Redefine has agreed to acquire a portfolio of 28 industrial properties from leading steel supplier Macsteel for R2.7 billion with a 12 year triple net lease. It has also secured a lease with IBM South Africa for approximately 10,300 m² of offices in Redefine's newly completed green office building at 90 Grayston Drive, in Sandown, central Sandton.

Commenting on these transactions, Marc Wainer, Executive Chairman of Redefine Properties, says: *"These deals further our objective of accommodating leading businesses in a diversified portfolio of larger property assets with low-risk, high-quality, inflation-beating income streams."*

Wainer notes: *"We are pleased to add Macsteel and IBM to Redefine's stellar list of quality tenants."*

The Macsteel transaction represents an attractive initial yield of 8.7% for Redefine that escalates at 8% per annum, with a further five year renewal option.

The Macsteel portfolio covers a total rentable area of some 560,000 m², with a small office component of around 12% of this area. The buildings are located across eight of South Africa's provinces, with 75% of this space concentrated in Gauteng.

"This transaction will transform Redefine's industrial portfolio, increasing it from approximately R5 billion to R7.7 billion, lifting the weighted average lease period from 2.5 years to 5.5 years and will bolster the defensive component of the portfolio," added Wainer.

This acquisition boosts Redefine's exposure to industrial property, better balancing its diversified commercial property portfolio. The Macsteel acquisition is subject to approval by the competition authorities and is expected to be effective by 1 November 2014.

At Redefine's newly redeveloped premium-grade 90 Grayston office property, IBM will occupy (from 1 April 2015) just more than 55% of the 16-storey building on a 10-year lease. A further 1 500 m² has also been let resulting in confirmed occupation of 66%.

Strategically placed in the heart of Africa's business hub, Redefine's redevelopment of this property has earned it a Green Building Council of South Africa 4-Star Green Star SA rating which has positioned it among South Africa's most innovative and recognisable buildings.



"90 Grayston is ideally suited to multinational businesses like IBM and will provide it with many unique advantages. This building is now de-risked and is one of Redefine's largest office developments to date and is tailored to meet our portfolio strategy." concluded Wainer.

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