



MEDIA RELEASE FROM SA REIT ASSOCIATION

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Listed property outperforms all other asset classes in 2015

South African listed property once again outclassed bonds, cash and equities in 2015. Listed property returned 7.99% to its investors, outstripping cash's 6.46%, equities 5.13% and bonds' -3.93%, according to figures from Catalyst Fund Managers.

Commenting on the sector's top performance, SA REIT Association Chairman, Laurence Rapp says: "Despite a tough operating environment and the brutal turmoil that hit local markets in December, the SA REIT sector continued its excellent track record of outperformance for investors in 2015."

While being the best performing asset class of 2015, listed property's returns were somewhat lower than in recent years after it took a nasty knock in December, with other sectors, as capital markets responded to what has been coined Nenegate. As the market was rocked by the news, listed property dropped around 10% in two days. It later recovered to some extent. Despite these gains, in December listed property still lost 6.12%. Before then, listed property wasn't only leading other asset classes but outperforming market expectations.

Rapp notes that while the limp local economy will put all sectors under pressure in 2016, the listed property sector is already ahead in its quest to find greater value for investors by entering new markets and subsectors. "International and sectoral diversification has been a growing trend in the sector for some years now, and certainly dominated strategies in 2015," says Rapp.

This focus is likely to continue in 2016. Rapp adds: "Given the stagnant economy, weakened Rand and further threats of a credit downgrade, the sector will work hard to sustain value in local markets while also looking for offshore assets with more attractive fundamentals and Rand hedge benefits. However, property is a long-term game, so REITs favour taking a corresponding long view when making investments. It is this approach that has sustained the sector's performance in tough times."

In its pursuit to continue its outperformance, remain attractive to investors locally and internationally, and to grow despite tough times, the sector will come together for the SA REIT Conference 2016 on 17 March -- an event that already looks set to sell out.

The conference's headline speaker is internationally acclaimed business trailblazer and ex-CEO of global property giant Unibail-Radamco, Guillaume Poitrinal. It is his first time speaking in South Africa. Poitrinal will be joined by outspoken international keynote speaker Andrew Parsons, MD of Resolution Capital (Australia). The conference's full programme addresses the big issues South Africa's listed property sector, and its partner industries, face as we enter 2016.

"This conference couldn't happen at a better time," says Mark Stevens, Chairman of the SA REIT Marketing Committee. "We've started the year on an uneasy footing with yet another set of economic hurdles. This is the ideal opportunity to come together, hash out challenges and learn from one of the world's best business leaders, Poitrinal. His commercial insights are invaluable, but he also has a wealth of knowledge for the public sector. Poitrinal has been appointed by French



President Francois Hollande to lead the charge to make France more business friendly by simplifying administrative and fiscal formalities.”

The one-day executive SA REIT Conference is hosted by the SA REIT Association and sponsored by Property Finance at Nedbank Corporate and Investment Banking (NCIB). It takes place on 17 March 2016 at The Maslow in Sandton Central, with limited seats still available at www.sareit.com/conference.php.

The SA REIT Association represents South Africa’s listed REIT sector. SA REIT members comprise all listed SA REITs and represent more than R300 billion worth of real estate assets. The quality of these SA REITs influences our economy and the quality of people's lives.

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Released by:
SA REIT Association
Laurence Rapp, Chairman of the SA REIT Association.
Mark Stevens, Marketing Committee Chairman
www.sareit.com
Tel: 011 783 2201

Distributed by:
Marketing Concepts
Suren Naidoo
011 783 0700