



MEDIA RELEASE FROM SA REIT ASSOCIATION

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Real estate investment trusts (REITS) shine among the JSE's most empowered companies

Nearly a third of all South African listed REITS (real estate investment trusts) can be counted among the JSE's 100 most empowered companies in 2016.

SA REITs make up nearly 10% of this prestigious list based on Empowerdex's annual survey.

South Africa's REIT sector comprises some 30 counters with a market capitalisation of around R360 billion. Nine of SA REITs were included in the 100 most empowered companies for 2016. They are, in order of most empowered: Redefine Properties, Investec Property Fund, Vukile Property Fund, Hospitality Property Fund, Growthpoint Properties, SA Corporate Real Estate, Fortress Income Fund, Resilient REIT and Fairvest Property Holdings.

Commenting on the SA REIT sector's transformation journey progress, CEO of the Property Sector Charter Council, Portia Tau-Sekati, says: "The SA REIT sector is doing well in several areas, and even outperforming in enterprise development and socio economic development. Although under target, reasonable efforts have been achieved in preferential procurement and ownership. That said, there are opportunities for the sector to do more in areas such as skills development, employment equity management control and economic development."

She adds: "Of the R1,3 trillion worth of commercial property in South Africa, JSE-listed SA REITs hold 23%. These large companies are willing and have committed themselves to transformation of the property sector by leading and setting the standard within large companies in the property industry. In fact, REITs have an average BBBEE level 4 recognition. In the next two years, we want to make sure that every property company follows their lead and contributes to transformation."

Laurence Rapp is Chairman of the SA REIT Association, which represents South Africa's listed REIT sector and has members comprising all listed SA REITs. Rapp notes the sector has achieved an impressive track record of driving best practice including being active supporters of transformational change aligned with the Property Sector Code.



Rapp says: “The significant representation of REITs among South Africa’s most empowered companies, relative to the sector’s size, is testament to its active participation in change. We remain committed to furthering empowerment in SA REITs specifically and in the property sector in general, and will continue to be an active participant in South Africa’s economic transformation as we are cognisant that the quality of SA REITs influences our economy and the quality of people's lives.”

For the year to the end of September 2016, SA REITs notched up a solid performance for investors, delivering total returns of 12.3% compared with SA shares at 4.8%, SA bonds at 15.0% and cash at 5.4%.

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