



MEDIA RELEASE FROM VUKILE PROPERTY FUND

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Vukile's agile water-saving strategy cuts consumption at its shopping centres

Vukile Property Fund, the leading retail REIT, has cut the water use at its major shopping centres with its focused water-saving interventions.

While Vukile has always monitored and reported on its water use, in 2016 it launched a detailed strategy to improve its monitoring, consumption and recoveries.

It has already made significant water savings in its 10 biggest centres by installing smart metres, performing benchmarking and auditing, updating the equipment, conducting proactive building maintenance and setting up quick-response systems.

The positive impacts can clearly be seen. The average water consumption of Vukile's retail shopping centres in the Western Cape, which faces Level Five Water Restrictions, has already been reduced by 14% from 2016 to 2017. Vukile's efforts have also reduced the water expenses across its portfolio by 2.8%, so far. Vukile aims to reduce its water costs by more than double that again, by the end of 2018.

Lodewyk van der Zee, the senior manager of energy and utilities at Vukile, says: "The first step in this strategy was to target the centres that use the most water and improve metering and monitoring at these properties."

By installing smart water meters, Vukile could easily and quickly identify water leaks and water loss and stop it. Then, the smart water meters continue to provide ongoing online monitoring of water flows and send warnings should abnormal consumption be detected.

"Smart metering also aids in ensuring correct billing, both municipal and client," adds van der Zee

Besides a shopping centre's bathrooms, another major water user is its cooling systems. Vukile has invested in replacing cooling towers with more water-efficient air-cooled condenser units at several of its shopping centres.

In addition, it has found ways to supplement the municipal supply with alternative water sources.



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For its shopping centres with a history of water shortages or water outages, Vukile has added backup water and alternatives to municipal water, including boreholes and water storage tanks, especially as several of its shopping centres are in rural and dry areas, such as its Ulundi-based King Senzangakona Shopping Centres. Here, Vukile also filters borehole water so it is suitable for drinking.

Currently, more than 50 mega litres of water is supplied to Vukile's shopping centres via boreholes.

"Planning for water savings and security of water supply has become increasingly important and is something that is seriously considered even in the early planning stages for a new shopping centre," notes van der Zee. "This ranges from installing water-wise landscaping to including viable backup systems, and ensuring roof slabs are capable of carrying the massive weight of full water tanks."

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. 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.

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