



MEDIA RELEASE FROM EMIRA PROPERTY FUND

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Emira to recycle capital with a trio of strategic property disposals

Recycling capital to enhance earnings for its investors, Emira has disposed of three buildings for a combined R476 million – representing a forward yield of 6.4% and a total premium to book value of 47.4%.

James Templeton, CEO of Emira, says the sale proceeds will be reinvested into capital expenditure projects, new acquisitions or used to repay debt, all of which support growing returns for Emira investors.

The three disposal properties represent a combination of non-core holdings and opportunistic sales for Emira.

They include 122 Pybus Road in Sandton, Braamfontein Centre in Johannesburg and Brandwag Shopping Centre in Bloemfontein.

The 12,207sqm Brandwag Shopping Centre property is located on the periphery of the Bloemfontein CBD. It is directly opposite the node's dominant shopping centre, Mimosa Mall, owned by Pareto.

Templeton explains: "Over the past decade, we've considered re-developing Brandwag, but it has become increasingly clear that this would be costly and time-consuming for Emira, and therefore not attractive for an income-focused fund. With this in mind, we identified the asset for sale. Several bidders were invited to make offers and Pareto's was the most favourable."

The proposed R250 million sale price represents a premium to book value of 57.3% and reflects an exceptionally competitive forward yield.

Braamfontein Centre is a 21,310sqm office building with ground floor retail, located across from Wits University. Located in the city's established educational node, Emira sold this asset to leading local private schools company AdvTech. The R150 million sales price of the Braamfontein Centre represents a premium to book of 17.2% for Emira and a forward yield of 9.5%.

Emira has also disposed of its only asset in the Sandton CBD, 122 Pybus Road. The office building has been sold to the owner of a neighbouring site. Given the current massive development pipeline in the Sandton area, with the good possibility of high vacancies for some time, Emira decided to place the building up for sale and reinvest the proceeds in other opportunities.

The R76 million sale price on 122 Pybus represents a premium to book value of 111% for Emira. Assuming a conservative reinvestment return, this transaction alone has the potential to add between R4 million and R5 million to Emira's bottom line.



"Emira is putting the sales proceeds to good use, to forward our strategies. Right now, we are strongly focused on unlocking value from our portfolio," explains Templeton. "Emira has around 30 internal capital expenditure projects underway – the most it's ever had. Every project furthers the best use of our buildings, maintains or improves the quality of our assets and will improve earnings," he adds.

Emira Property Fund is a JSE-listed REIT that is invested in a quality diversified portfolio of office, retail and industrial properties. Its assets comprise 148 properties valued at R12.5 billion. Emira is also internationally diversified through its direct interest in ASX-listed Growthpoint Properties Australia (GOZ), valued in excess of R700 million, with total assets now at R13.5 billion.

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