

Emira boosts portfolio occupancy and quality

Emira Property Fund reports that vacancies in its property portfolio dropped below 7% for the first time since 2008.

The fund achieved a vacancy level of 6,9% at the end of April 2013. This is substantially down from 7,8% at the end of 2012, and a remarkable improvement compared with vacancies of 11,5% at its financial year-end on 30 June 2011.

James Templeton, CEO of Emira Property Fund says: "Proactive leasing and disposing of non-core assets achieved our improved occupancy level. They also furthered our goal of enhancing the quality of Emira's property portfolio. The full effects of the increased occupancy will come through in our 2014 financial year. It places Emira in a position to deliver heightened performance for investors."

Templeton adds that Emira aims to reduce its portfolio vacancies even further in the immediate future.

JSE-listed Emira Property Fund owns a diversified portfolio of office, retail and industrial properties. Its assets comprise 146 properties valued at R9,1 billion and

listed investments of R600 million. Emira has a market capitalisation of R7,7 billion.

Emira's disposals of Montana Value Centre, Worldwear Fashion Mall and Fleetway House, for a total consideration of R117,6 million, are all proceeding. In addition, it has disposed of the remaining 10 sections of Georgian Place mini-unit and industrial park in Kelvin at a premium to book value, for R30,2 million.

"Most of these proceeds will be reinvested in the portfolio, specifically our R513 million capital investment in the 27 000 m² extension of the successful Wonderpark Shopping Centre," says Templeton. The project began in December 2012 and will be complete in May 2015 taking the centre to approximately 90 000 m².

"The Wonderpark Shopping Centre extension is progressing on schedule and on budget. The first phase will include a new, bigger 4 100 m² Woolworths with its latest department and food concept

store as well as a larger Game. It will be income producing from November this year," notes Templeton.

Among Emira's new leasing deals concluded thus far in 2013, it has also secured several prime tenancies. Eskom signed the lease for Emira's 7 400 m² 1 Kikuyu Street building in Sunninghill, Sandton. BMW leased 5 400 m² from Emira for corporate offices at 500 Smuts Drive in Midrand and Damelin has leased 2 650 m² at Faerie Glen Office Park in Pretoria.

Templeton notes that Emira will continue to focus on unlocking greater value from its portfolio of properties.

"In the present market, portfolio growth through acquisition is almost impossible with quality investment property assets difficult to come by and often overpriced because of fierce competition," says Templeton. "Emira will continue investing in our portfolio of assets with redevelopments, extensions and refurbishments, which currently offer better returns for our investors."