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# Upturn for Emira

Emira Property Fund reported distribution growth of 3,5% for the financial year ended 30 June 2013, achieving a noteworthy positive turnaround from last year's decline in distributions. Emira's participatory interest holders received a total return of 26,2% for the year, with a capital return of 17,3% and an income return of 8,9%. The fund's net asset value increased by 14,9% to 1 325 cents per participatory interest (PI).

James Templeton, CEO of Emira Property Fund, assigns the upsurge in performance to the comprehensive progress made on its turnaround strategy. This includes improved leasing, rigorous cost controls and portfolio-strengthening acquisitions, disposals and upgrades. "The results of our new strategy now clearly show in the numbers, with every metric improving during the reporting period," he says. "Driving Emira's performance, in the past two years we've improved the quality of our investment portfolio, property occupancy levels and tenant retention, and we've built a strong, skilled team. We're expecting an even better year in 2014. The headway made in lowering vacancies during the 2013 financial year will continue to flow through and, based on current forecasts, should result in real distribution growth for our inventors in the coming year."

While Emira improved performance all around this year, its increased occupancy levels tell a significant success story. Vacancies of 11,5% at 30 June 2011 and 10,5% for 2012 dropped below seven percent for the first time since 2008 earlier this year. Emira's portfolio vacancies closed the 2013 financial year at a greatly improved 5,6%, a decline of more than 50% in two years. Heightened tenant retention, increasing from 65% to 78% during the year, helped achieve the better occupancy levels.

"For the first time in several years, Emira's office vacancies are below the SAPOA benchmark of 11%, at 10,7%, and we expect this to reduce even further," says Templeton. "Rentals remain under pressure in the present competitive market defined by an increasing supply of office space in most major nodes."

Emira's retail and industrial portfolios have vacancy levels well below the national average, at 2,8% and 2,2% respectively. "We are busy with, or plan to start, capital projects of about R1-billion to optimise the potential of our properties," notes Templeton.

This also includes a growing focus on green building with energy savings and associated costs savings receiving increasing priority.

"We're pleased to report these positive results and to see the strategic progress we made reflected in our performance for investors," says Templeton. "We will continue to find sustainable ways to grow income for Emira's investors and gain further ground in the sector in 2014."

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