

Press Release

For immediate release

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### **A new look Lake Buena Vista office building for Centurion**

Upgrading existing office buildings rather than purchasing new ones makes sense to property owners in the current environment of rising building costs, sky-high property prices and relatively low yields on acquisitions.

Take the Emira Property Fund-owned Lake Buena Vista office building fronting on Centurion Lake for example.

Built 22 years ago, it is classified as B-grade office space and attracts only modest rentals of R55/m<sup>2</sup> gross in the current Centurion office letting market.

However, Emira's management team motivated to its Board that by spending R34,3m on upgrading the building to A-grade office space they should be able to attract rentals of closer to R100/m<sup>2</sup> gross for the refurbished space – significantly improving its rental returns.

Not surprisingly, the refurbishment project was given the go-ahead and is now well under way.

Emira management's foresight has paid off handsomely. It recently secured, through the Leasing and Investment Broking division of RMB Properties, a five-year lease with FirstRand subsidiary Outsurance for the property – effective from 1 July 2008.

Says Emira CEO, James Templeton:

"It's not always possible to accomplish upgrades of this magnitude while doing the building work around the existing tenants, but in this instance the vacant nature of the building (the largest tenant vacated in April 2007) allowed us to forge ahead."

More specifically, the refurbishment has allowed Emira to bring additional A-grade office space on to the market ahead of its competitors – some 73 000 m<sup>2</sup> additional A-grade space is planned in the near-term for Centurion - giving it a distinctive edge in the office letting market.

What, exactly, does the facelift to Lake Buena Vista involve?

- The ground floor is being converted into an additional level of parking raising the building's parking ratio from 2,3 bay/ 100 m<sup>2</sup> to a more desirable 3 bays/ 100 m<sup>2</sup>. And, with further parking becoming available, the ratio should rise to 5 bays per 100m<sup>2</sup>
- Some of the balconies on the building are being converted to additional office space – thereby raising the gross lettable area from 5 735 m<sup>2</sup> to 6 169 m<sup>2</sup>
- Common area space is being rationalised and the lift shaft is being moved to the centre of the building making the office floors more sub divisible with less wasted space
- And, the exterior of the building is being re-clad with sandstone tiling, aluminium glazed shop fronts are being fitted in the lobbies, an atrium feature wall and acoustic lay-in ceilings are being added, the air-conditioning system replaced and the ablution facilities are being upgraded

Says Templeton:

"Once the upgrade is completed, Lake Buena Vista will have all the amenities and features of other A-grade office buildings in the area making it more than competitive in the current letting environment, giving the building a much longer shelf life - consequently improving returns for Emira participatory interest holders over time."

And the cherry on the top? Lake Buena Vista is only a few doors down from the busy Centurion Mall and, though it is on the opposite side of the lake from the proposed Centurion Gautrain Station in West Street, it is still within easy walking distance.

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