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Emira successfully settles and re-issues R400m of short-term debt

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Emira Property Fund successfully settled and immediately re-issued R400 million of three-month unsecured commercial paper (CP), for the second time. The paper rolled for a further three months and now needs to be settled in May 2013.

The oversubscribed issue last week received bids from six potential investors totalling a R650 million for the R400 million on offer. The paper was placed with four investors. Rand Merchant [Bank](#) arranged the roll over.

The appetite for Emira CP saw the [interest](#) margin remain stable at 21 basis points above the three-month Jibar rate, which represents a decrease from the first issue level of 25bps achieved in August 2012.

James Templeton, CEO of Emira, says the fund's continued sourcing of a portion of its funding via the money markets and debt capital markets has several benefits, including lowering the average cost of borrowings and diversifying the source of its borrowings.

"It is Emira's policy to diversify its sources of funding between commercial banks, the debt capital markets and money markets. This minimises interest costs and reduces the risk to investors," says Templeton.

JSE-listed Emira Property Fund is a real [estate investment trust](#) with a diversified portfolio of office, retail and industrial properties. Its assets comprise 146 properties valued at R9,1 billion and listed investments of R500 million and it has a market capitalisation of R7,5 billion.