

Emira eyeing strong returns next year

ALISTAIR ANDERSON
Property Correspondent

JSE-LISTED Emira Property Fund believes it has performed well since listing a decade ago and that the sale of noncore properties will help it achieve strong returns next year.

CEO James Templeton said yesterday that Emira was proud of sustaining its performance over the years and that selling off noncore assets recently would help it achieve better returns next year.

“Our focus has always been to grow and evolve in a way that benefits investors and stakeholders and adheres to good governance and best practice, ensuring sustainable performance,” Mr Templeton said.

The South African listed property index recorded a total return of 3.04% for last month. Emira returned 1.56% in that month. But, for the year to date, Emira has

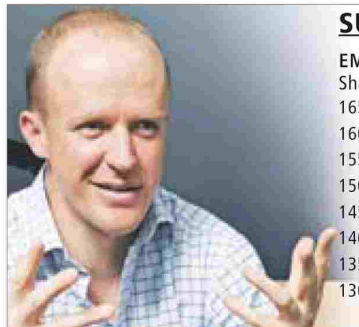
returned 11.03% while the sector has returned 10.59%.

Emira earlier this month put through a participatory interest repurchase programme. It effectively bought back shares in a buy-back worth R70m, taking its total repurchased shares to R206m in the past two years.

It also sold off some nonperforming assets. The programme was used to grow its distribution to investors by reinvesting proceeds from the disposal of the noncore assets through the repurchase of the shares.

Emira listed on the JSE on November 28 2003. Since then, its asset base has grown almost six-fold, from R1.65bn to R10.1bn in June. Its retail, office and industrial properties have more than doubled from 77 to 146.

Emira was created by SA’s Momentum through a securitisation of Momentum’s portfolio of directly held properties.



JAMES TEMPLETON

SUSTAINABLE GROWTH

EMIRA PROPERTY FUND
Share price, daily close (cents)



Graphic: SHAUN UTHUM Source: I-NET BRIDGE

Mr Templeton said internal portfolio growth played an important role in Emira’s portfolio strategy. Over the 10 years, it invested R1.391bn on capital projects to improve and expand properties.

Alternative Real Estate fund manager Maurice Shapiro said he was impressed with Emira’s performance since listing. He said

Emira had taken advantage of lower interest rates in debt capital markets and had also restructured its debt-swap profile.

Old Mutual Investment Group fund manager Evan Robins said Emira had done well given that it focused on the older B-grade office property sector.

andersona@bdfm.co.za