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Emira Property Fund issues R499 million commercial paper

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Emira Property Fund successfully settled R400 million of three-month unsecured commercial paper (CP) and immediately issued R399 million of six-month unsecured CP and a new issue of R100 million three-month CP.



The new paper expires in February 2014 and November 2013 respectively. Rand Merchant Bank arranged the settlement and issues.

With the combined issue oversubscribed, appetite for Emira paper saw the interest margin on the three-month paper at the same rate as its settled three-month paper of 21 basis points above the three-month Jibar rate. The interest margin on the six-month paper was set at 26 points above the six-month Jibar rate.

James Templeton, CEO of Emira, says in light of current market dynamics, the company gave the market the choice to bid for three-month and six-month paper, with the longer option attracting greater demand.

"The issues bring Emira's total funding through debt capital markets to approximately R1,45 billion, secured at attractive rates through different types of funding with diverse maturity rates," says Templeton.

In addition, Emira also enjoys funding from different commercial banks and money markets.

"Our diversified funding strategy minimises interest costs and reduces the risk to investors," says Templeton.

JSE-listed Emira Property Fund began trading as a REIT on the JSE from 1 July 2013. It has a diversified portfolio of office, retail and industrial properties. Its assets comprise 146 properties valued at R9,4 billion and it has a market capitalisation of R7,0 billion. Emira is also internationally diversified through its direct interest in ASX-listed Growthpoint Properties Australia (GOZ), valued at R537,1 million at 30 June 2013.