

Emira issues R499 million commercial paper

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James Templeton, Emira chief executive.

Emira Property Fund settled R400 million of three-month unsecured commercial paper (CP) and immediately issued R399m of six-month unsecured CP and a new issue of R100m three-month CP.

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

With the combined issue oversubscribed, as a result of the demand for Emira paper the interest margin on the three-month paper was at the same rate as its settled three-month paper of 21 basis points above the three-month Jibar rate (Johannesburg Interbank Agreed Rate – the money market rate that is used by South Africa). The interest margin on the six-month paper was set at 26 points above the six-month Jibar rate.

Emira chief executive, James Templeton, says in the 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 interest.

“The issues bring Emira’s total funding through debt capital markets to about 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 July 1 2013. It has a diversified portfolio of office, retail and industrial properties. Its assets comprise 146 properties valued at R9.4bn and it has a market capitalisation of R7bn. Emira is also internationally diversified through its direct interest in ASX-listed Growthpoint Properties Australia (GOZ), valued at R537.1m at June 30 2013.