

news release

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EQUITES PROPERTY FUND ENTERS GAUTENG MARKET

Cape Town 3 February 2015. Specialist industrial property manager and developer, Equites Property Fund Limited (“Equites”), has concluded an agreement with major listed apparel, jewellery and homeware retailer, The Foschini Group, in terms of which Equites will be developing a 22 000 square meter distribution warehouse for them in Midrand, Gauteng.

Equites CEO Andrea Taverna-Turisan says the transaction has great significance for Equites as it is the Western Cape based property counter’s first step into the Gauteng market. *“Concluding this transaction with one of SA’s most successful retailers in the very competitive Gauteng market is a significant achievement for us. It is also a vote of confidence from TFG in our ability to deliver a state of the art cross-docking distribution warehouse in line with their expectations. The development furthermore caters for TFG’s future growth requirements and we are able to extend the facility by an additional 15 000 square meters.”*

Brad Rothenburg, Head of TFG Property, indicated that as the TFG Group’s sales continue to grow it has become necessary to increase the warehouse capacity in Gauteng. Midrand was shown to be the most logical place for the warehouse being close to consumer demand. Initially it will be used for @homelivingspace furniture and Foschini Footwear – but over time additional products are expected to be added.

“We have an existing relationship with Equites through our @homelivingspace warehouse in Cape Town and their quality portfolio is a clear illustration that they understand the distribution logistics market” says Rothenburg.

The development, which will ultimately have an estimated capital value of R 150 million, will be located on the Lords View Industrial Park which has been planned as an environmentally friendly, eco-sensitive industrial logistics park and makes use of the latest developments in green township development. The Park boasts landscaped central storm water attenuation ponds eliminating the need for tenants to attenuate themselves. These functional ponds will form the ‘Green Lung’ of the development and provide running tracks, park benches and other facilities for staff to enjoy.

Negotiations for the development of a Municipal Solid Waste Plant are at an advanced stage. Once built this plant will make available a further 20MVA of electricity supply which in turn could be made available to users within the park. The carbon emission from this plant would be equivalent to the carbon emission of 6 cars.

Equites is listed on the main board of the JSE in the “Industrial and Office REITs” sector.

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About Equites Property Fund

Equites Property Fund is a leading South African property investment fund manager and developer, focused on high quality industrial assets at the top-end of the industrial property sector, with a selective small exposure to office property. Its portfolio of 20 prominent industrial and office properties is valued at approximately R1.4 billion. Equites is structured as a Real Estate Investment Trust (REIT). The fund is internally managed.

The portfolio properties are situated in prime locations, have very low vacancies with occupancy in excess of 97% and at least 77% of the portfolio has leases for longer than three years, with healthy escalations averaging 8.1%. Major tenants include Simba, Foschini, Execujet, Digistics, Imperial, Puma, UTI (Adidas), Avery Dennison, Courier-IT, Kuehne & Nagel AG, NGK Ceramics, Dole USA and Barloworld.