



SA CORPORATE
REAL ESTATE

INDUSTRIAL | RETAIL | OFFICE | RESIDENTIAL | REST OF AFRICA



SA Corporate Pre-close Update Presentation

30 June 2021



AGENDA

01

Update

- Traditional Portfolio Performance
- Monthly Y-O-Y Retail Trading Density Growth
- Afhco Portfolio Performance
- Afhco Residential Leasing Performance
- Vacancy Trends
- Zambian JV Performance
- Collections
- Strategy Update

02

Q&A



Traditional Portfolio Performance

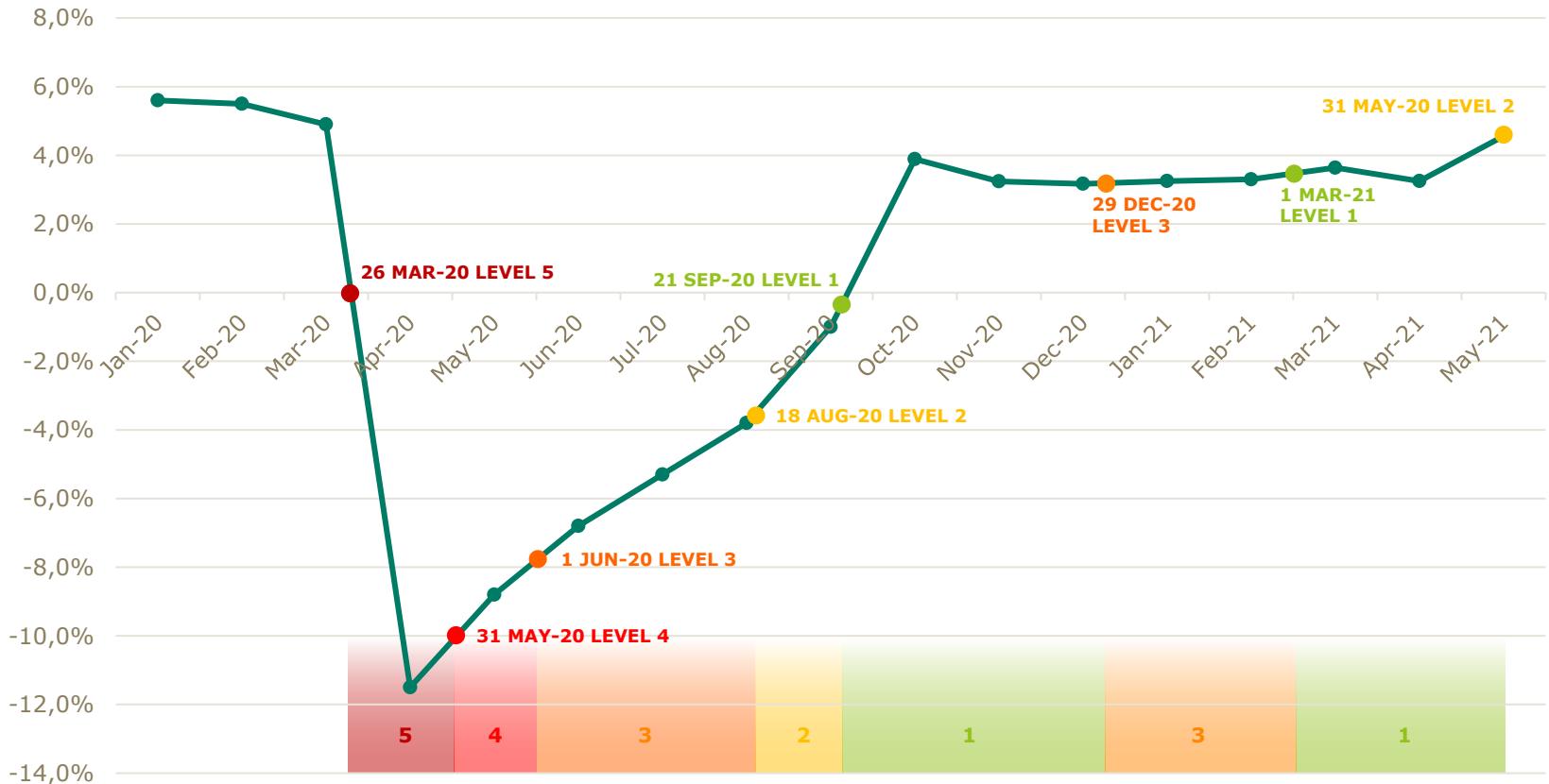
Sector	Vacancy 31-Dec-20	Anticipated Vacancy 30-Jun-21	Comments
Industrial	1.51%	0.54%	Only vacancy is at 18 Covora Street of 2 528m ² .
Retail	4.64%	4.37%	Take up of space of Clicks at Bluff Towers and Dischem at Musgrave. Improvement of tenanting at Northpark Mall.
Office	16.87%	21.90%	Increased vacancy at Nobel Street, Bloemfontein, as well as the retail offices at Midway Mews and Musgrave. Continuing leasing efforts at Greenpark Corner and repurposing of office space.

Sector	Retention Rate 31-Dec-20	Anticipated Retention Rate 30-Jun-21	Comments
Industrial	59.53%	93.64%	The only non-renewal was a tenant at Suffert Street. This space has subsequently been re-let.
Retail	79.78%	82.90%	Build It are to replace Cashbuild at Umlazi Mega City and space at East Point has mostly been re-let. Small non-renewals in hair salons and other services remain challenging.
Office	66.24%	95.70%	Strong tenant retention albeit on a small base of 6 400m ² of expiring leases.

Sector	Renewal Reversion 31-Dec-20	Anticipated Renewal Reversion 30-Jun-21	Comments
Industrial	-12.68%	-2.89%	Negative reversions in order to retain tenancy. Negative reversions anticipated in H2 are expected to be more severe.
Retail	-7.02%	-8.04%	Rent reversion in order to retain banks. Rent reversions excluding banks would be -5.12%. Rent reversions were offered to certain smaller tenants to accommodate projects at centres. Longer term deals with initial rent reversions were concluded with tenants struggling through tough trading times instead of concluding short term relief.
Office	-9.13%	-20.46%	Largely (65%) impacted by the lease renewal of Vodacom at Nobel Street.

Monthly Y-O-Y Retail Trading Density Growth

Retail trading density growth



Afhco Portfolio Performance

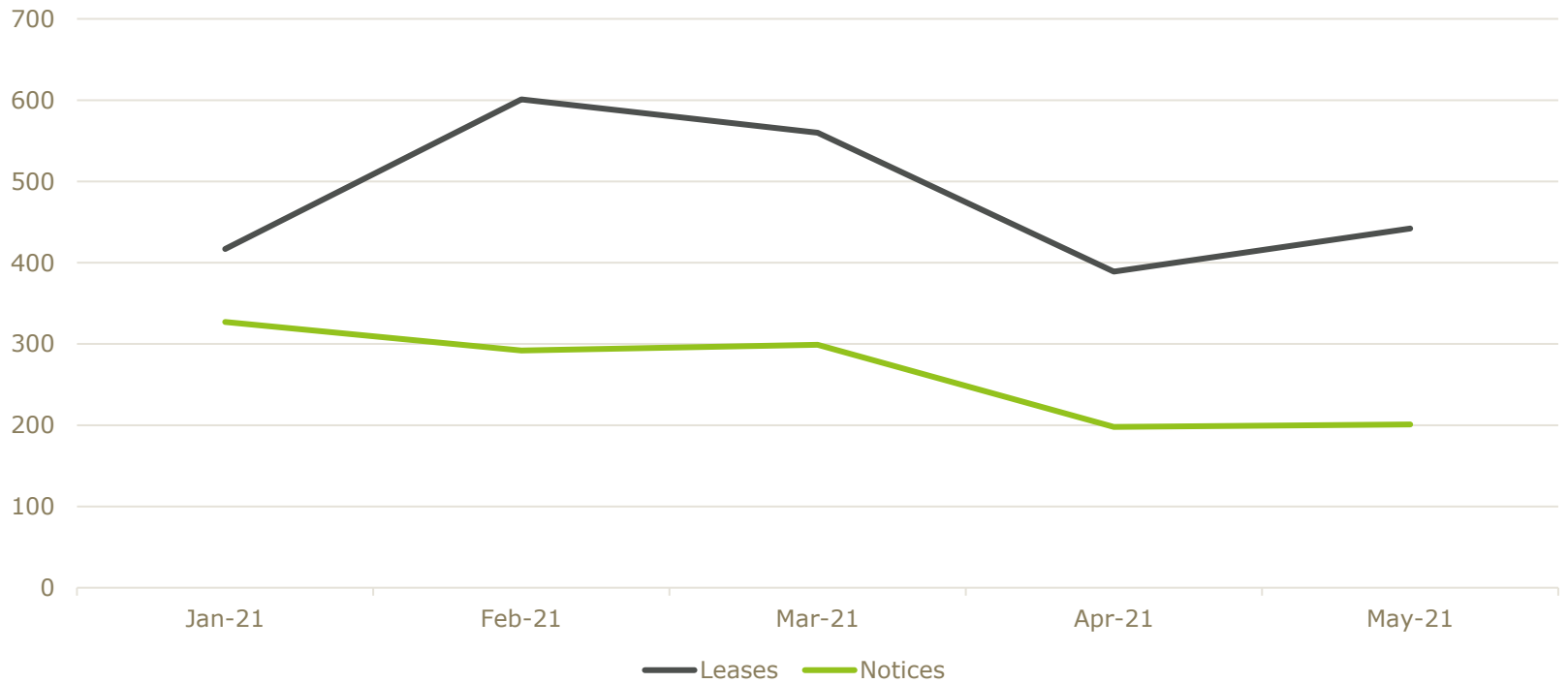
Sector	Vacancy	Anticipated Vacancy	Comments
	31-Dec-20	30-Jun-21	31-Dec-20
Residential	15.4% (excl. students)	10.1% (excl. students) 8.5% (incl. students)	Continued leasing improvement, refer to next slide. Student building vacancy 1.7%.
Retail	5.7%	5.0%	Take-up of vacant areas in Johannesburg Shopping Centre and Newgate.

Sector	Retention Rate	Anticipated Retention Rate	Comments
	31-Dec-20	30-Jun-21	
Retail	87%	28%	Largely relates to Cambridge vacating De Villiers Street in April 2021 being replaced by Devland.

Sector	Renewal Reversion	Anticipated Renewal Reversion	Comments
	31-Dec-20	30-Jun-21	
Retail	-10.7%	-4.0%	Relates to the lease renewal of 203m ² premises measuring 44m ² on average with an average rental of R1 094.00/m ² and were renewed at a negative reversion of -22.2%. The remainder of 1 808m ² was renewed at positive 4.2%.

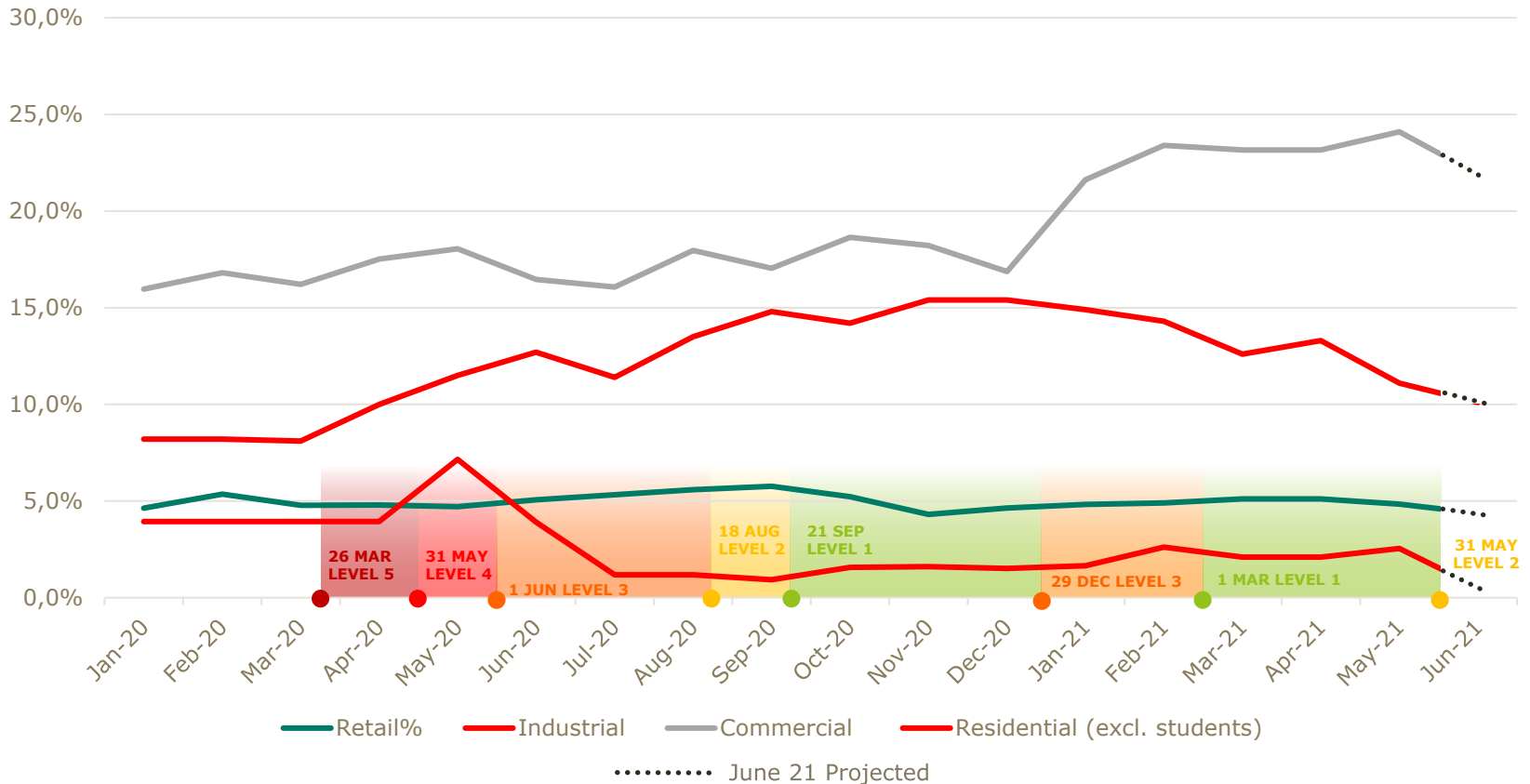
Afhco Residential Leasing Performance

Monthly Leases & Notices



Vacancy Trends

Vacancy Trends



Low Industrial and Retail vacancies have been maintained throughout the pandemic with Afhco making progress in reinstating a stable tenant base

Zambia Portfolio Performance

Sector	Vacancy 31-Dec-20	Anticipated Vacancy 30-Jun-21	Comments
East Park Mall	14.1%	17.1%	Increased vacancy due to liquidation of Creation Furniture and Legit in Zambia. Offers to lease received for 9.1% of GLA under negotiation.
Acacia Office Park	5.6%	4.5%	Office market remains fragile in Lusaka.
Jacaranda Mall	23.1%	26.9%	Increased vacancy due to the liquidation of Creation Furniture and reduced Shoprite leased area replacing Pick 'n Pay. Tenancy being concentrated in front section of the mall with the back section earmarked as an automotive cluster.

Sector	Retention Rate 31-Dec-20	Anticipated Retention Rate 30-Jun-21	Comments
East Park Mall	100%	100%	Increased vacancy is due to termination of leases and not non-renewal of existing leases.
Acacia Office Park	100%	100%	One expiring lease was renewed.
Jacaranda Mall	100%	27%	Shoprite replaced Pick 'n Pay as the grocer anchor.

Sector	Renewal Reversion 31-Dec-20	Anticipated Renewal Reversion 30-Jun-21	Comments
East Park Mall	-16.27%	0.13%	3.3% of GLA renewed.
Acacia Office Park	-20.05%	0.00%	8.7% of GLA renewed.
Jacaranda Mall	-15.76%	-13.51%	9.4% of GLA renewed.

Collections

Collections as a percentage of Contractual Billing

	Retail	Industrial	Commercial	Storage	Afhco Retail	Residential	Student	SA Total	Zambian JV
Q2 2020 % Collections	71%	87%	82%	92%	37%	76%	97%	75%	50%
Q3 2020 % Collections	93%	108%	89%	100%	91%	84%	107%	95%	80%
Q4 2020 % Collections	108%	108%	108%	100%	94%	95%	124%	105%	93%
Q1 2021 % Collections	90%	90%	86%	100%	92%	92%	4%	89%	77%
Apr-21 % Collections	100%	133%	74%	100%	93%	101%	23%	104%	172%
May-21 % Collections	115%	100%	110%	104%	117%	101%	71%	107%	82%

Average last 3 months SA Portfolio collections are circa 106%

Strategy Update

Strategic Focus	
Financial Sustainability	<ul style="list-style-type: none"> • <i>Of R1.6bn divestment last reported, since Jan 2021:</i> <ul style="list-style-type: none"> • <i>R539.1m has transferred.</i> • <i>R327.1m is unconditional.</i> • <i>R254.2m is conditional.</i> • <i>R92.2m has failed (102 Essenwood, Long Street Precinct).</i> • <i>Additional transactions:</i> <ul style="list-style-type: none"> • <i>R14m vacant development land sale concluded.</i> • <i>R73.7m additional residential sales concluded.</i> • <i>Capital management:</i> <ul style="list-style-type: none"> • <i>R60m AFD facility settled.</i> • <i>R550m term facility to be settled H2 2021.</i> • <i>USD10m CCIRS settled.</i> • <i>R500m maturing Dec 2021 to be extended on average by 4.2 years.</i> • <i>Permanent increase in LTV covenant being negotiated.</i>
Convenience Oriented Retail Portfolio	<ul style="list-style-type: none"> • <i>Convenience rollout as previously reported continuing.</i> • <i>Advanced leasing negotiations for convenience tenancy:</i> <ul style="list-style-type: none"> • <i>Grocer @ Northpark Mall.</i> • <i>Specialist food @ Morning Glen Mall.</i> • <i>Pharmaceutical & national apparel @ 51 Pritchard.</i> • <i>Build It @ Umlazi Mega City (concluded).</i>
Quality Industrial Property Portfolio	<ul style="list-style-type: none"> • <i>Very low vacancy of 0.5%.</i>
Quality Residential Rental Portfolio	<ul style="list-style-type: none"> • <i>Strategy to increase proportion of suburban portfolio to be achieved by a partial divestment of non-precinct inner-city properties.</i>
Divesting from Commercial	<ul style="list-style-type: none"> • <i>Sale of two properties unconditional.</i> • <i>Progressing repurposing alternatives.</i>