



INDUSTRIAL | RETAIL | RESIDENTIAL | REST OF AFRICA

SA Corporate Pre-close Update Presentation

9 December 2022



AGENDA



- LFL NPI Portfolio Performance
- Traditional Portfolio Performance
- Afhco Portfolio Performance
- Afhco Residential Leasing Performance
- Zambian Portfolio Performance
- Strategy Update:
 - Financial Sustainability
 - Convenience Oriented Retail Portfolio
 - Quality Industrial Property Portfolio
 - Quality Residential Rental Portfolio
 - Divesting from Commercial
- Q & A

LFL NPI Portfolio Performance

Sector	30 Oct 22 YTD LFL NPI Growth	Commentary
Industrial	2.6%	Strong rental growth from long-term leases at 57 Sarel Baard, 112 Yaldwyn, Cnr Staal and Stephenson, 27 Jetpark, Erf Bardene and Beryl Street curtailed by rental reversions at 1 Baltex, Cnr Gielbasson and Nathanmallach, 33 Ontdekkers and 141 Hertz as well as downtime at 32 Yaldwyn.
Retail	8.9%	Reduced vacancy by 13 076m ² . Municipal rates credit of R14 million and R3.8 million at North Park Mall and Springfield Value Centre respectively.
Office	(36.1%)	Decrease in NPI of small office portfolio driven by Vodacom reduction in space at Nobel Street and Tshedza vacating at GreenPark Corner.
Afhco	12.2%	72.6% reduction in residential vacancies compared with prior year.
Total	7.4%	

Traditional Portfolio Performance

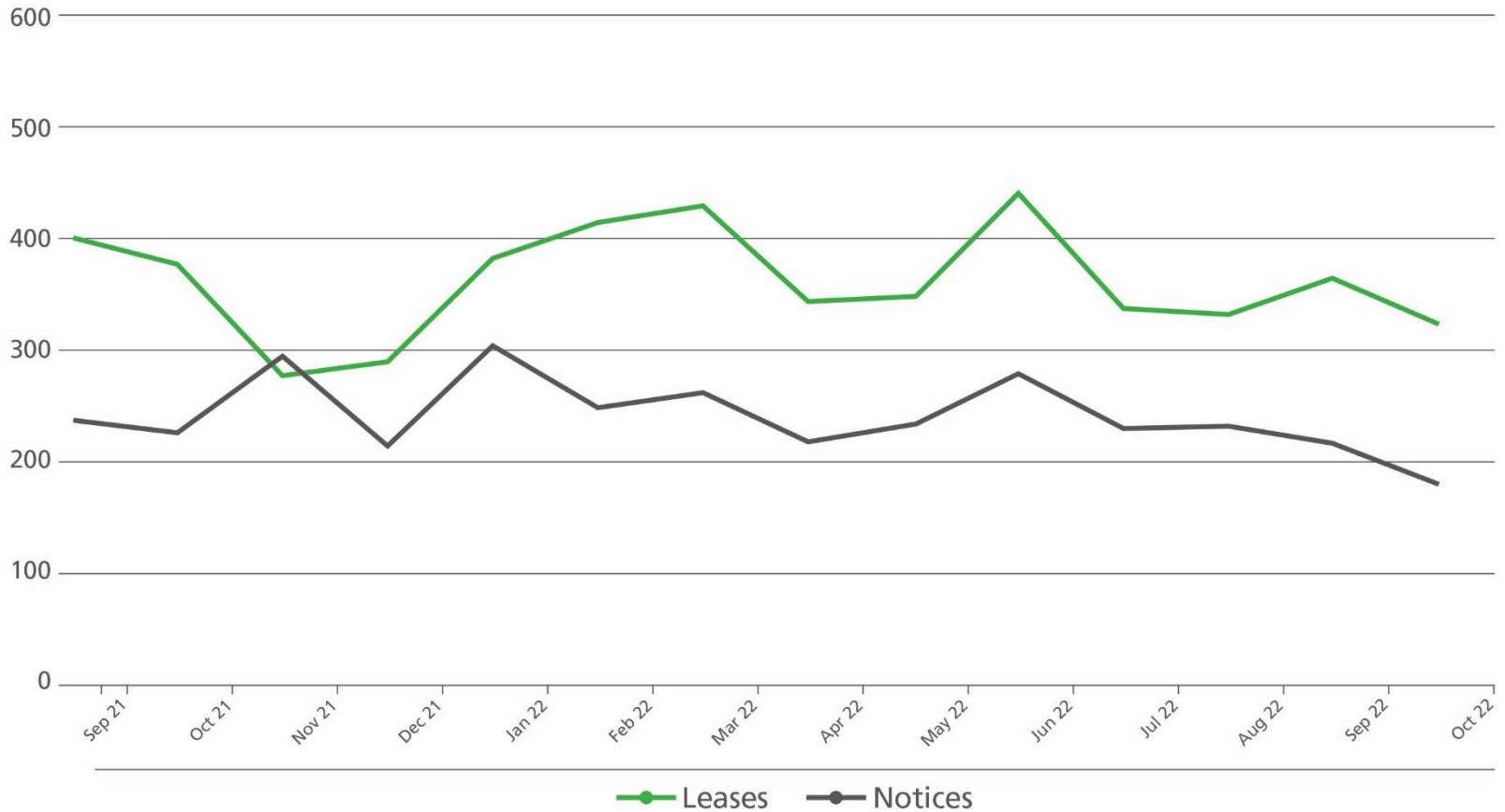
Sector	Vacancy 31-Oct-22	Anticipated Vacancy 31-Dec-22	Comments
Industrial	0.82%	0.18%	Remaining 757m ² vacancy is office space in otherwise fully let industrial property in Westmead.
Retail	3.9%	3.6%	Trading density growth for 10 months YTD = +6.1%. Leasing in Q4 to homeware in Forest Road, China Hyper at Musgrave and TFG at Umlazi Mega City.
Office	20.02%	16.99%	Decrease in vacancy at GreenPark Corner, stand-alone office vacancy 8%.
Sector	Retention Rate YTD 31-Oct-22	Anticipated Retention Rate 2022	Comments
Industrial	90.84%	87.35%	Tenant at 5 Westgate vacating end November, space has been re-let.
Retail	82.9%	81.9%	Primarily non-renewal of SARS and Nedbank at Northpark Mall & Luban Furniture non-renewals at Umlazi Mega City.
Office	55.96%	55.96%	Tshedza filming crew and Monocle vacated at Green Park Corner.
Sector	Renewal Reversion YTD 31-Oct-22	Anticipated Renewal Reversion 2022	Comments
Industrial	-5.01%	-3.60%	Largely impacted by the negative reversion of the over-let space at 85 Newton Street. Excluding latter, reversions were -1.39%.
Retail	-0.3%	0.5%	Movement to positive renewal reversion supported by Checkers renewal at the Bluff Shopping Centre.
Office	-27.63%	-27.63%	Reversions at GreenPark Corner necessitated by distressed office market.

Afhco Portfolio Performance

Sector	Vacancy 31-Oct-22	Anticipated Vacancy 31-Dec-22	Comments
Residential	2.4%	4.5%	Occupancy declines to year end due to seasonal movements typical at this time of year.
Retail	5.1%	5.2%	Space that became vacant immediately tenanted; actively pursuing leasing of remaining space.
Sector	Rental Increase on Expiring Leases YTD 31-Oct-22	Anticipated Rental Increase 2022	Comments
Residential	2.5%	2.6%	Steady improvement in rental increases being seen as part of sector recovery.
Sector	Retention Rate YTD 31-Oct-22	Anticipated Retention Rate 2022	Comments
Retail	52%	69.5%	Improvement as a result of Massmart extending their lease to May 2023.
Sector	Renewal Reversion YTD 31-Oct-22	Anticipated Renewal Reversion 2022	Comments
Retail	-6.4%	-3.4%	Relates to the lease renewal of premises measuring 60m ² on average with an average rental of R494.00/m ² and were renewed at a negative reversion of -19.20%. The remainder of the portfolio was renewed at positive 3.5%.

Afhco Residential Leasing Performance

Monthly leases & notices



Zambia Portfolio Performance

Sector	Vacancy 31-Oct-22	Anticipated Vacancy 2022	Comments
East Park Mall	2.8%	1.6%	Vacancy reduced as a result of 850m ² of space let to a multi-national clothing retailer and a restaurant. Phases 5 and 6 are now 98.5% occupied with only 180 m ² of lettable GLA available.
Acacia Office Park	13.8%	5.8%	Vacancy reduced by 1 000m ² due to space being let to Bank ABC.
Jacaranda Mall	22.3%	22.3%	Management is in negotiations to secure tenancy leveraging off new Shoprite anchor.

Sector	Retention Rate YTD 31-Oct-22	Anticipated Retention Rate 2022	Comments
East Park Mall	100%	100%	1 469m ² of space expired but 100% of expiries were retained at a marginally positive renewal reversion.
Acacia Office Park	100%	100%	There were no lease expiries in the current period.
Jacaranda Mall	20%	20%	1 695 m ² expired in the current period of which 80% pertains to Cashbuild who are exiting the Copperbelt region. Cashbuild vacancy replaced with agricultural services offering.

Sector	Renewal Reversion YTD 31-Oct-22	Anticipated Renewal Reversion 2022	Comments
East Park Mall	0.4%	0.4%	Existing expiring leases renewed for a period of 4 years and 11 months.
Acacia Office Park	-	-	Owing to there being no expiries in the current period there were no renewals.
Jacaranda Mall	Flat	Flat	Existing tenant lease renewed at same rate.

Strategy Update

Strategic Focus

Financial Sustainability

- **YTD collections:**
Retail: 99.4%; Industrial: 98.1%; Commercial: 97.4%; Afhco (excl. Student Accom.): 100.0%
- **SASRIA Claim:** Received R275.9 million to date. A further R81.6 million certified for payment with remaining final settlement of circa R50 million under review by SASRIA.
- **Debt refinancing:** No debt maturity prior to May 2024, other than CCIRS maturing in January 2023, which will not be renewed.
- **Maintain hedging:** 71.9% hedged with tenor of 2.2 years at 31 October 2022. Monitoring the market to extend tenor.
- **Capital Management:**

2022 Disposal Pipeline	R1.3 billion
Previously Contracted	R958.4 million
Transferred	R457.9 million
Unconditional	R356.4 million
Conditional	R144.0 million
Newly Contracted in 2022	R336.3 million
Transferred	R98.9 million
Unconditional	R44.7 million
Conditional	R192.7 million

Anticipate Loan to value ("LTV") ratio at 31 December 2022 similar to 30 June 2022.

Convenience Oriented Retail Portfolio

31-Dec-21



VACANCY

4.6%



NATIONAL
TENANCY

57.6%



CONVENIENCE

41.7%

31-Oct-22



VACANCY



3.9%



NATIONAL
TENANCY



63.7%



CONVENIENCE



56.0%

NEW LEASING	
GLA (m ²)	28 041
National tenancy	75.8%
Convenience	70.4%

Strategy Update

Strategic Focus

Quality Industrial Property Portfolio

Lease Renewals

	Expiry 2022		Renewal YTD 31 Oct 22		Renewal 2022 Forecast		Comments
	Extent	% of Portfolio GLA	% Renewed	Reversion	% Renewed	Reversion	
Total	56,320	13.22%	81.67%	-5.01%	83.80%	-3.60%	12.66% vacated and re-let, 4% held for sale
Gauteng	27,322	6.41%	79.86%	-9.97%	79.86%	-7.61%	12.82% vacated and re-let, 7.32% held for sale
Kwa-Zulu Natal	28,998	6.81%	83.37%	-1.40%	87.51%	-0.85%	12.52% vacated and re-let
Western Cape	-	-	-	-	-	-	Early renewal of RTT

Improving Environmental Sustainability

- Procured 1 882 kWp solar PV installations for Industrial portfolio rooftops to be completed by year end.
- Designing 1 625 kWp solar PV for installation in 2023.
- 3 400 kWp solar PV plant being planned on Midrand land for electricity wheeling.

Strategy Update

Strategic Focus

Quality Residential Portfolio

Improving Portfolio Quality

Metric	Dec-21	Oct-22
Vacancy	8.5%	2.4%
Arrears less credits	R17.5 m	R7.3 m
Average tenant occupation	19 months	21 months
Renewal increase	0.5%	2.6%

Refining Portfolio Through Disposals

- First tranche of Firstmile SPA transactions concluded Sept 2022.
- Balance of Firstmile transactions anticipated to be executed by Feb 2023.
- 91 apartments sold to the value of R38 million since 1 January 2022 at exit yield of 8.5%.

Strategy Update

Strategic Focus

Divesting from Commercial

- 31 Allen Drive, Belville: sale unconditional and transfer anticipated by end December 2022.
- Nobel Street, Bloemfontein: readying for divestment; 1 340m² vacancy leased, with a further 1069m² under negotiation, 20.8% of GLA being repurposed for storage.
- Green Park Corner: preparing for sale.
 - Tenant gym and clubhouse to be completed by end December 2022.
 - 1 352m² renewed and 1 672m² vacant space let since 1 July 2022.
- Musgrave Centre: 6 224m² office space to residential apartments for sale conversion.
 - JV developer partner proposals being evaluated.

Q & A