

news release

21 January 2020

EQUITES TO DEVELOP A R1.3 bn WAREHOUSE FOR PEPKOR

Cape Town, 21 January 2020 – Equites Property Fund Limited (Equites) today announced an agreement with leading JSE-listed retailer Pepkor, to develop a 122 734 square metre logistics warehouse facility in Hammarsdale, KwaZulu-Natal. The indicative total cost of development is R1.3 billion, which includes the cost of the land of R281 million. Equites will enter into a 15-year "triple net" fully repairing and insuring lease with Pepkor on completion of the development. Pepkor will have a right to renew for three additional five-year periods. The development is expected to be completed by November 2021.

Equites CEO, Andrea Taverna-Turisan, said the company is pleased with the transaction as it meets all its investment criteria. As a specialist logistics investor and developer, Equites has successfully delivered modern and efficient logistics facilities to users both in South Africa and the United Kingdom. A transaction of this size with a client of Pepkor's stature and exacting requirements will assist to further cement the company's aim of being recognised as a developer of choice to the largest logistics, retail and e-commerce participants in the South African market.

The modern, state-of-the-art logistics facility will be situated in Hammarsdale, a prime logistics node due to its location along the N3 national road and its proximity to the rail network linking Gauteng to the Durban port. It is also close to the inland container terminal at Cato Ridge which is expected to change the logistics landscape in KZN. Other prominent South African retailers, such as Mr Price and Ackermans, have logistics warehouse facilities close to the property, providing further evidence of the attractiveness of this node. The warehouse will boast a clear height to eaves of 15.8 metres and yard depth in excess of 45 metres. Both companies place strong emphasis on sustainability in their assets from the outset and the facilities have been designed with increased steel tolerances to accommodate the installation of photovoltaic panels.

Taverna-Turisan said: *"The development will increase Equites footprint in the key logistics node of KwaZulu-Natal and create further scale in our high-quality logistics portfolio. Importantly, the developed facility will also add to the quality, defensiveness and income predictability of Equites. We are excited to welcome Pepkor as a client."*

Ends

Contacts:

Andrea Taverna-Turisan Chief Executive Officer – Equites Property Fund Limited 021 460 0404 or 083 444 6997	Lydia du Plessis Investorsense 082 491 7583 lydia@investorsense.co.za
--	---

About Equites Property Fund

Equites Property Fund Limited listed on the Johannesburg Securities Exchange (“JSE”) on 18 June 2014 and has established itself as a market leader in the logistics property space, with a vision of becoming a globally relevant Real Estate Investment Trust (“REIT”). The value of the fund has grown significantly from R1 billion on listing to R13.5 billion at 31 August 2019.

Equites focuses on owning and developing modern, well-located logistics properties let to A-grade tenants on long-dated leases. The fund has established itself as a leading owner and developer of high-quality logistics assets in South Africa and the United Kingdom.

Equites is the only specialist logistics REIT listed on the JSE. All the group’s assets are in proven logistics nodes near large population centres and major transport links that have predictable patterns of strong rental growth. The group focuses on premium “big-box” distribution centres, let to investment-grade tenants on long-dated “triple net” leases, built to institutional specifications. The locations of preference are Cape Town and Gauteng in South Africa and the central Midlands and “last-mile” fulfilment centres near major conurbations in the United Kingdom. While its exposure to the UK has been increasing, Equites remain a South Africa-focused fund and continues to focus on growing the South African portfolio through acquisitions and developments.