MEDIA RELEASE FROM EMIRA PROPERTY FUND

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***Emira is powering business the sustainable way***

Mitigating environmental and economic risks for itself and its tenants’ businesses, Emira Property Fund is continuing its programme of investment into clean energy from renewable resources to create long-term growth and drive economic recovery.

Emira is a leading JSE-listed REIT invested in a quality, balanced portfolio of office, retail, industrial and residential properties. It has 79 directly-held South African properties and diversified offshore with equity investments in 10 grocery-anchored open-air convenience shopping centres in the USA. It began exploring site-embedded energy production with a small 271kWp farm on the roof of Epsom Downs Shopping Centre in Bryanston in 2015, which generated power used at the property.

“Based on the lessons learned from this pilot project, we have now completed our eighth installation and increased total annual production of solar power to more than 9-million kWh,” confirms Justin Bowen, National Development Manager and Head of Sustainability for Emira.

The solar farms power Emira’s buildings in an environmentally responsible manner and further enable other businesses to play their part in reducing the strain on the national power grid. Each solar farm that comes online lessens reliance on Eskom and coal-fired power stations. In choosing premises that benefit from a solar energy supply, businesses reduce their operational carbon footprint by ensuring that part of their power use comes from clean, renewable energy.

Emira has increased its actual solar power production nearly eightfold in during its past two financial years alone. In July 2018, it was producing 736,671 kWh at three solar farms, and by June 2020 it was producing 5.7-million kWh from six installations.

The 5.7-million kWh produced by Emira’s farms in its recent 2020 financial year is equal to the carbon absorption capacity of 5,283 acres of forest. What does that mean? It is the same as removing 874 passenger vehicles from the road for one year or an average passenger vehicle driving 16,155,996 fewer kilometres. It can be likened to stopping 1,723,248 litres of petrol from being consumed or preventing 2,229 tons of coal being burnt. It saved enough energy to power 685 average homes. The energy saved could be used to charge 515,952,674 smartphones.

“Looking back on our renewable energy journey we have learnt a great deal, some big lessons and others small but no less important. For instance, we always install water taps close to photovoltaic (PV) panels for easy cleaning with less water consumption,” Bowen notes.

Significantly, Emira’s ongoing renewable energy drive hasn’t been derailed by the pandemic which, if anything has quickened the shift towards more resource-efficient, sustainable business in 2020. Its latest installations were completed at Market Square, Plettenburg Bay, and Springfield, Durban, during the lockdown. And, it is working on plans to install three more before mid-2021.

The REIT also has plans to extend the existing solar farm at Wonderpark Shopping Centre in Pretoria. This will increase the 1.2MWp system to over 3MWp, making it one of the largest roof-mounted PV systems in South Africa. Emira hopes to receive approval for this project from the National Energy Regulator of South Africa (NERSA) in the next few months.

With current legal and technical difficulties, it is not viable to supply electricity over-production to the national grid. Thus, PV power is most effective at properties that operate seven days a week, so that the entire production can be consumed on the property itself. The cost of batteries for solar power storage is still prohibitive. That said, technology is improving in capacity and reducing in cost as global giants like Tesla, BMW, Jaguar, and others invest millions of research and development dollars for battery technology to use in electric-powered vehicles.

“With the increasing price of Eskom power, we have reached a point where, even with wasted weekend energy production, the cost per kWh from PV generated panels still makes better financial sense. Importantly, it is clean. We foresee major solar farm rollouts increasing for years to come. It is agile and responsible compared with coal-powered stations that take decades and fortunes before they become operational,” points out Bowen.

Of course, without battery storage, solar power energy isn’t an adequate buffer against the power outages that South Africa experiences due to its unreliable electricity supply, which reached their highest level yet this year. According to the CSIR, the country experienced around 1,500 gigawatt-hours’ worth of total power outages as of 2 September 2020. By comparison, it experienced closer to 1 300 gigawatt-hours of outages between 2015 and 2019. The outages are set to continue, if not worsen, over the next 18 months, until at least March 2022.

To prevent disruption for tenants’ businesses, Emira provides backup generator power across 63% of all its gross lettable area. Nearly 74% of its office space, over 65% of its retail space and some 55% of industrial space is equipped with generation capacity. Most recently, Emira recently installed additional backup generators with a combined production of 2330kVA at Epsom Downs Office Park and Hyde Park Lane, at a cost R5,1 million.

Backup electricity via diesel generators is expensive - both its installation and operation. Also, most generators aren’t designed to run for the long periods that South African businesses need them, resulting in costly wear and tear. “While none of this is ideal, in this weak economy companies cannot afford lost productivity. We understand this and strive to provide supportive environments for tenants across all our properties. Until the electricity grid stabilises, Emira is stepping in to enable tenants to operate their businesses and help create jobs and grow the economy. Enabling productive business spaces is positive for both our tenants and ourselves, as their businesses are more likely to remain in one of our properties,” says Bowen.

All this highlights the importance of sustainability in business. “Sustainability is engrained in the Emira ethos, which includes reducing our carbon footprint and being a good global corporate citizen. We are mindful that the way in which we do business can help our tenants to do better business,” notes Bowen. “Reducing global climate change and limiting the extent of global warming to the 1.5-degree Celsius level is going to take a global effort, and Emira is proud to play our part and help our tenants, clients and shoppers do their part for the benefit of future generations.”

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