NEWS RELEASE FROM EMIRA PROPERTY FUND LIMITED

22 June 2021

**Emira acquires its eleventh USA retail property asset**

**Emira Property Fund (JSE: EMI) has acquired its eleventh grocery-anchored dominant open-air shopping centre in the USA, growing its equity investments in thriving states of the world’s largest economy to R1.55bn (US$105m).**

The highly attractive Newport Pavilion power centre acquisition strengthens the quality and value of Emira’s equity investment portfolio in the US and increases its offshore diversification. Since launching its US investment strategy in 2017, Emira has assembled a portfolio of 11 value-focused open-air retail centre assets representing 12.1% of its total portfolio.

Geoff Jennett, CEO of Emira, says: “Newport Pavilion is a great asset that meets every measure of our US investment strategy. Emira’s strong balance sheet position, with cash on hand to deploy, enabled us to pursue this acquisition and further our opportunity-by-opportunity approach to owning a growing portfolio of great retail real estate in the US. Our investment strategy facilitates capital recycling and allocation into more resilient environments that can act as a buffer against South Africa’s constrained economy with US$-denominated returns. We target first-rate assets that we believe are undervalued, but have secure income streams, a favourable outlook and the potential for capital appreciation over time. Emira will remain focused on our chosen segment of the retail property asset class in the US that is performing very well indeed. We will continue to grow our investment in the US together with our American partners on an incremental deal by deal basis.”

Emira co-invests in the US with its in-country partners, the Rainier Group of Companies. Danny Lovell, President and CEO of Rainier, says, “We are particularly excited to partner Emira in securing such an excellent retail asset anchored by high-performance grocers and with good defensive characteristics, including high occupancy levels, favourable lease terms and added value creation potential. The transaction was secured with flexible funding at favourable rates, emphasising the strength of the property. We are proud to have a like-minded partner in Emira and will look to continue to invest in high-quality grocery anchored retail properties in specific locations here in the US.”

The eleventh shopping centre to transfer into Emira’s US portfolio is the 337,000sqf Newport Pavilion. The dominant regional open-air power centre includes the lease of grocery anchor Kroger, a high-quality big-box line-up and in-line stores, and several out-parcels. Tenants include Dick’s Sporting Goods, TJ Maxx, Petsmart and a noteworthy component of restaurants and speciality food options. It also has a strong shadow-anchor in Target. The centre is 98% let and more than 90% occupied by national tenants, providing a high credit quality underpin, and it has a good 5.3-year weighted average lease expiry (WALE).

The centre is on the doorstep of the world-class Cincinnati CBD, home to the 30th largest economy in the US and several Fortune 500 companies. The city is in Ohio but spans Kentucky and Indiana. Newport Pavilion is dominant in a well-established trading area. It is superbly accessible to commuters making it very convenient and residents with strong spending power and a popular hotspot with the Cincinnati CBD lunch crowd.

The grocery-anchored dominant value-orientated convenience retail centres in prospering markets in the US in which Emira invests have performed better than enclosed malls and lesser quality properties in the context of COVID-19. They are geared towards communities, provide essential goods and services, especially grocer anchors, focus on the popular value retail segment, have quality tenants, and offer open-air environments where people feel safe.

Emira is driven to provide great real estate, and its portfolio is structured for adaptability to deliver stability and sustainability through different economic and property cycles. Emira invests in a quality, balanced portfolio of retail, office, industrial and residential assets. It is diversified across property sectors and internationally in a combination of directly-held assets and co-investments with partners who are experts in their respective fields.

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