

Listed Property Report

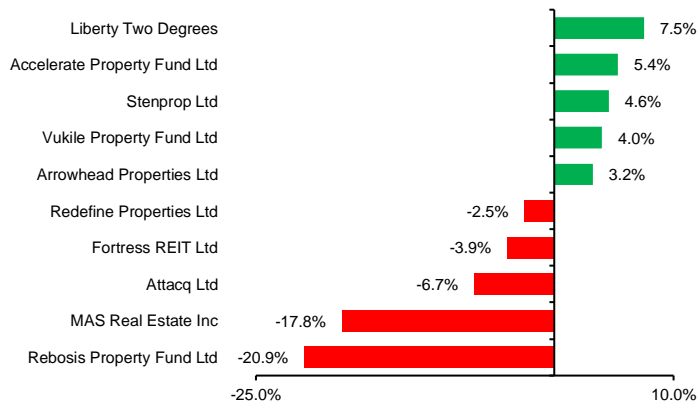
3 September 2019

Asset Class

	Yield (in %)		Total Return (% chg)	
	30 August	1 Week	1 Week	YTD
SA Listed Property	9.4%	0.2%	0.2%	1.0%
SA Bonds	9.4%	0.2%	0.2%	7.8%
SA Cash	9.5%	0.0%	0.0%	4.2%
UK Listed Property	4.6%	0.0%	0.0%	8.5%
US Listed Property	3.4%	0.5%	0.5%	23.6%
W. Europe (ex. UK) Listed Property	6.2%	-0.5%	-0.5%	10.4%
Australia Listed Property	4.2%	0.3%	0.3%	23.7%

Source: Reuters, Afrifocus Securities

JSE SA Listed Property Index - Weekly Gainers & Losers



Source: Bloomberg, Afrifocus Securities

52 Week Highs

Name	52WK High
Fortress Income Fund Ltd	22.00
Sirius Real Estate Ltd	13.08

Source: Bloomberg, Afrifocus Securities

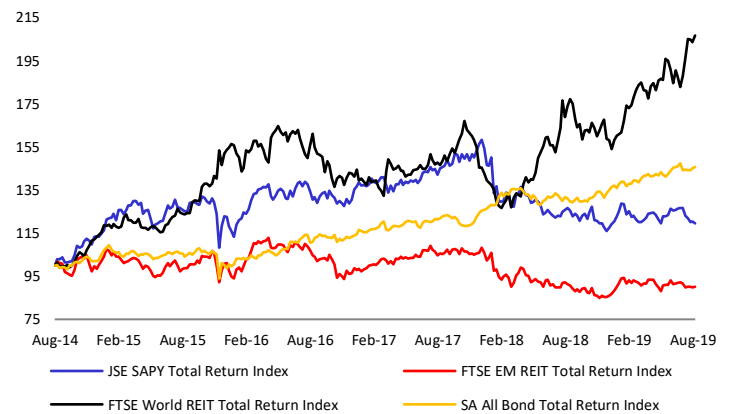
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South African Listed Property

South African property markets ended lower as it closed at 461.7 for the week ended August 30, 2019, down 0.6%. The total return for SA Listed Property gained 0.2% over one week and 1.0% YTD. Liberty Two Degrees rose 7.5%, followed by Accelerate Property Fund Ltd and Stenprop Ltd, which gained 5.4% and 4.6%, respectively. On the other hand, Reboasis Property Fund Ltd fell 20.9%, followed by MAS Real Estate Inc and Attacq Ltd, which declined 17.8% and 6.7% respectively. It has been reported that Equites Property Fund Ltd is keen on acquiring part of Shoprite's R7.0bn warehouse portfolio, which the retailer wants to sell to raise cash. The company is interested in buying high-end warehouses from national retailer Shoprite. MAS Real Estate Ltd announced that it has decided to build its own team to manage its east European assets instead of relying on Prime Kapital.

Source: Afrifocus Securities

JSE SAPY, EM REIT, World REIT and SA All Bond TR Index



Source: Reuters, Afrifocus Securities

52 Week Lows

Name	52WK Low
Vukile Property Fund Ltd	17.49
Hyprop Investments Ltd	64.10
MAS Real Estate Inc	15.25
Attacq Ltd	10.72
Hospitality Property Fund Ltd	8.00
Redefine Properties Ltd	7.57

Source: Bloomberg, Afrifocus Securities

Ranking Table

INDEX	NAME	INDEX WEIGHT	DIRTY	CLEAN	TARGET	DPS NTM	FORECAST DPS CAGR	YIELD	CAPITAL	TOTAL	AFFSEC CALL
JSE SAPPY			462	461	550		3.8%	9.2%	19.0%	28.2%	
DLT	Delta Property Fund	0.0%	1.1	1.0	4.8	0.5	-23.7%	47.0%	391.7%	438.7%	
ITU	Intu Properties	0.0%	7.4	7.4	33.0	0.0	-3.7%	0.0%	344.1%	344.1%	
AWA	Arrowhead Props.	0.0%	3.2	2.8	5.0	0.6	-6.0%	19.7%	77.7%	97.4%	
FFB	Fortress Reit B	2.7%	10.8	9.3	14.6	1.6	0.7%	16.7%	56.0%	72.7%	
HYP	Hyprop Investments	5.4%	65.8	58.6	92.6	7.9	3.0%	13.6%	58.1%	71.7%	
APF	Accprop	0.7%	3.0	2.9	4.3	0.5	-3.3%	16.8%	49.4%	66.2%	
SAC	Sa Corporate Rl.Est.Fund	2.8%	3.2	3.0	4.4	0.4	1.1%	14.4%	45.3%	59.7%	
HMN	Hammerson (Jse)	0.0%	41.9	39.8	58.3	4.6	-4.6%	11.5%	46.4%	57.9%	
RDF	Redefine Properties	17.3%	7.9	7.1	9.8	1.0	5.0%	13.8%	37.9%	51.7%	
OCT	Octodec Investments	0.0%	15.9	14.4	18.5	2.0	-0.2%	13.8%	28.4%	42.3%	
ATT	Attacq Ord	3.1%	11.0	10.2	13.2	0.9	13.3%	9.1%	29.3%	38.4%	REDUCE
VKE*	Vukile Property Reit	5.1%	18.7	18.4	22.9	1.9	2.6%	10.3%	24.7%	35.0%	BUY
EPP	Epp NV	1.9%	18.7	17.9	22.1	1.9	1.7%	10.6%	23.3%	34.0%	
EMI	Emira Property Fund	1.7%	12.8	12.9	15.8	1.6	3.6%	12.0%	21.6%	33.7%	
CCO	Capital & Cnts. (Jse) Props.	0.0%	38.0	37.9	49.9	0.3	1.1%	0.7%	31.7%	32.4%	
GRT	Growthpoint Prop	22.1%	23.0	21.0	24.4	2.2	6.1%	10.6%	16.2%	26.8%	
IPF	Investec Property	2.5%	14.5	14.2	15.9	1.5	3.5%	10.4%	11.8%	22.2%	
L2D	Liberty Two Degrees	0.8%	7.0	6.7	7.4	0.6	3.9%	9.1%	9.0%	18.1%	
EQU	Equites	2.3%	21.2	20.8	21.6	1.5	6.1%	7.2%	3.7%	10.9%	
SRE	Sirius Real Estate (Jse)	1.5%	13.1	13.0	13.2	0.5	0.3%	4.1%	1.7%	5.8%	
RES	Resilient Pr.Inc.Fd.	5.1%	63.0	63.4	61.2	5.5	2.7%	8.6%	-3.4%	5.2%	
FFA	Fortress Reit A	6.9%	21.1	19.7	18.0	1.6	5.0%	7.9%	-8.8%	-0.9%	

* Estimates under revision

Ranking table estimates changed (from previous report) to smart estimates from consensus estimates

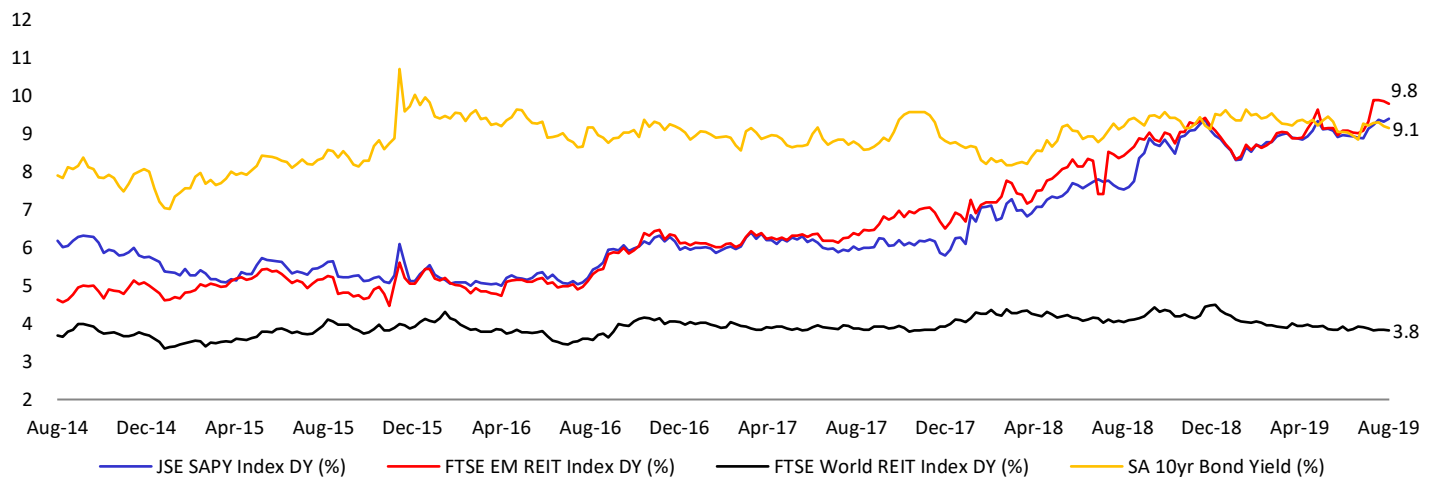
Source: Reuters, Afrifocus Securities

Dividend Revision Table

Upgrades	3m Rev	3mTPRev	Downgrades	3m Rev	3mTPRev
Sirius Real Estate (Jse)	4.4%	-4.6%	Delta Property Fund	-48.0%	-18.0%
Liberty Two Degrees	3.8%	2.1%	Redefine (Jse) International Reit	-20.5%	0.0%
Attacq Ord	2.3%	0.0%	Lighthouse Capital	-19.0%	2.9%
Mas Real Estate (Jse)	2.2%	-5.1%	Fortress Reit B	-14.2%	-14.4%
Resilient Pr.Inc.Fd.	1.5%	0.0%	Arrowhead Props.	-11.6%	-6.0%
Investec Property	1.2%	-0.3%	Sa Corporate Rl.Est.Fund	-3.8%	-0.8%
Growthpoint Prop	1.2%	-3.3%	Accprop	-3.2%	-6.1%
Rebosis Property Reit A	1.2%	-2.1%	Hammerson (Jse)	-2.2%	-14.9%
Fortress Reit A	0.9%	3.3%	Redefine Properties	-2.1%	-9.3%
Equites	0.7%	3.1%	Hyprop Investments	-1.8%	0.5%
			Nepi Rockcastle	-1.4%	-7.6%

Source: Reuters, Afrifocus Securities

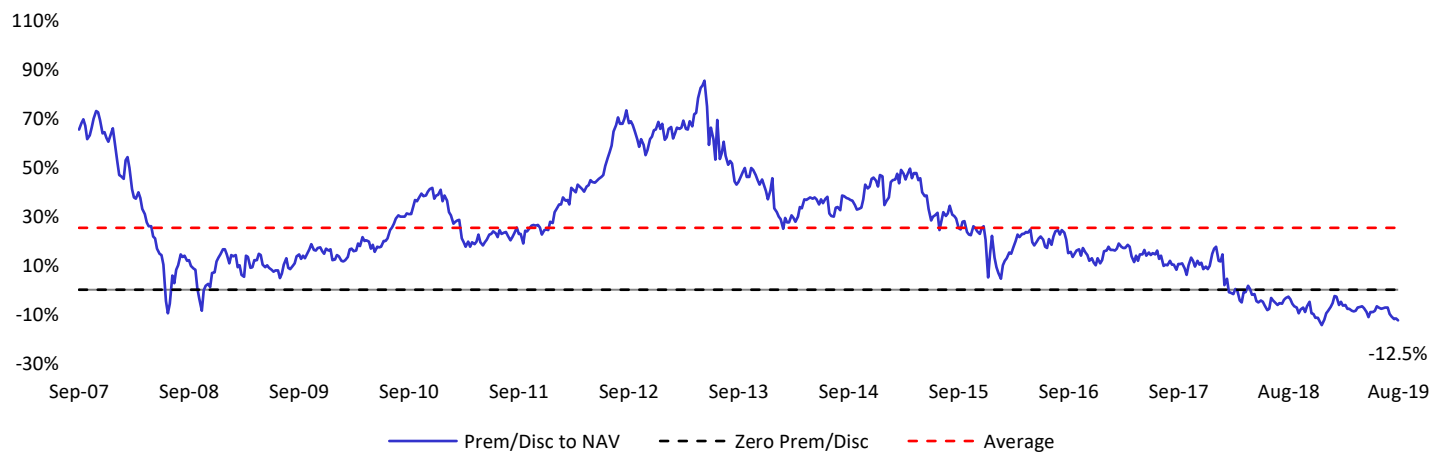
JSE SAPY DY, FTSE EM REIT DY, FTSE World REIT DY and SA 10yr Bond Yield



* SA 10yr Bond Yield (%) and JSE SAPY Index DY values stand at 9.1 as of 30th August 2019

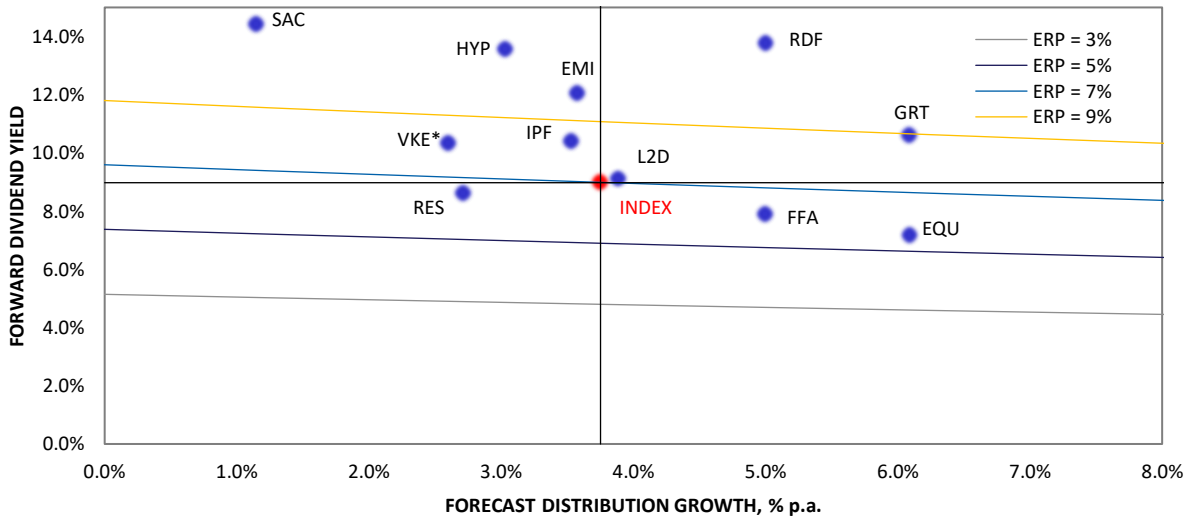
Source: Reuters, Afrifocus Securities

Sector Premium/Discount to NAV



Source: Reuters, Afrifocus Securities

REIT Forward DY vs Forecast Distribution Growth and Implied Equity Risk Premium (ERP)



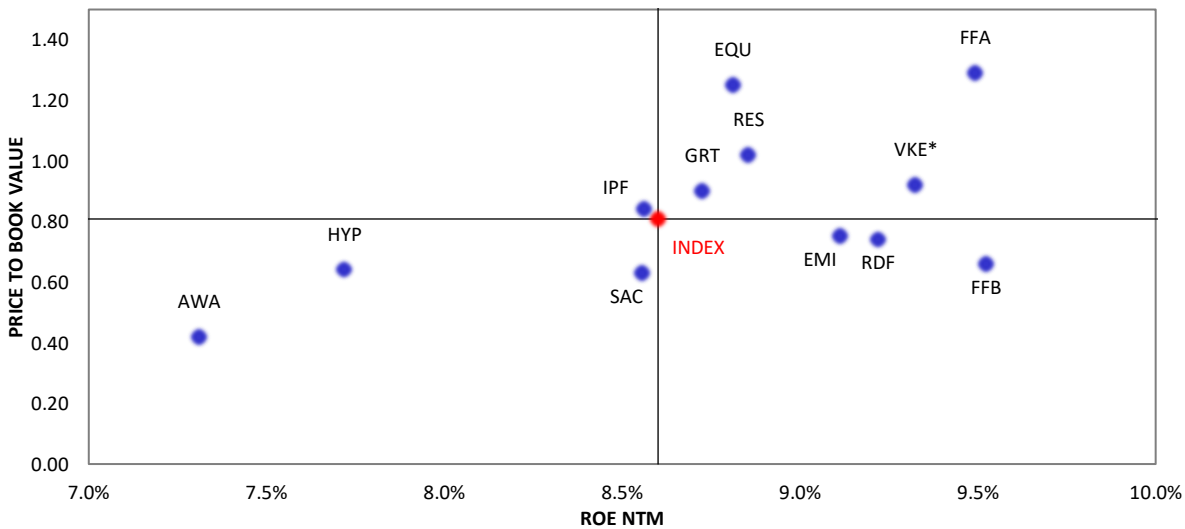
	FDY	CAGR
INDEX	9.0%	4.0%
DLT	47.0%	-23.7%
SAC	19.7%	-6.0%
HMN	16.8%	-3.3%
RDF	16.7%	0.7%
OCT	14.4%	1.1%
ATT	13.8%	-0.2%
VKE*	13.8%	5.0%
EPP	13.6%	3.0%
EMI	12.0%	3.6%
CCO	10.6%	6.1%
GRT	10.4%	3.5%
IPF	10.3%	2.6%
L2D	9.1%	13.3%
EQU	9.1%	3.9%
SRE	8.6%	2.7%
RES	7.9%	5.0%
FFA	7.2%	6.1%

Source: Reuters, Afrifocus Securities

OFF Scale Stocks

AWA (Arrowhead Props), SRE (Sirius Real Estate), DLT (Delta Property Fund), REB (Rebosis Property Fund), APF (Accprop), FFB (Fortress Reit B) and ATT (Attacq Ord)

Price to Book vs ROE NTM



	ROE	PB
INDEX	8.6%	0.81
FFB	9.5%	0.66
FFA	9.5%	1.29
VKE*	9.3%	0.92
RDF	9.2%	0.74
EMI	9.1%	0.75
RES	8.9%	1.02
EQU	8.8%	1.25
GRT	8.7%	0.9
IPF	8.6%	0.84
SAC	8.6%	0.63
HYP	7.7%	0.64
AWA	7.3%	0.42
OCT	6.8%	0.54
L2D	6.5%	0.74
APF	6.0%	0.37
DLT	4.6%	0.11
ATT	3.8%	0.45

Source: Reuters, Afrifocus Securities

OFF Scale Stocks

REB (Rebosis Property Fund), DLT (Delta Property Fund), APF (Accprop), SRE (Sirius Real Estate), EQU (Equites), AWA (Arrowhead Properties Ltd) and FFA (Fortress Reit A)

Key Corporate Events

Date	Company Name	Events
9 September 2019	Emira Property Fund Ltd	Dividend payout
9 September 2019	Resilient REIT Ltd	Dividend payout
10 September 2019	Attacq Ltd	Annual results and dividend declaration
19 September 2019	Stenprop Ltd	Annual general meeting
24 September 2019	Sirius Real Estate Ltd	Annual general meeting
11 November 2019	Attacq Ltd	Annual general meeting

Source: Sharenet, Company Website, Afrifocus Securities

SA Listed Property Corporate News

Company Name	News
Accelerate Property Fund Ltd	The company announced that John Patterson, an executive director of the company, has resigned with effect from August 23, 2019. Demetrios Kyriakides, chief financial officer, has been appointed as a member of social, ethics and transformation committee.
Emira Property Fund Ltd	The company whose offer to take over SA Corporate Real Estate was rebuffed earlier in August, says it is still in a strong position to buy other local real estate companies. The company's CEO, Geoff Jennett, said that as the company has more cash and less debt than many of its peers, it could acquire other property funds in the depressed economy.
Emira Property Fund Ltd	The company announced interest payments of R1.5mn and R6.1mn are due on September 2, 2019 and September 4, 2019 respectively.
Equites Property Fund Ltd	The company is keen on acquiring part of Shoprite's R7.0bn warehouse portfolio, which the retailer wants to sell to raise cash. The company is interested in buying high-end warehouses from national retailer Shoprite.
Fortress REIT Ltd	The company announced that interest payments of R5.2mn and R9.8mn are due of September 3, 2019 and September 12, 2019 respectively.
MAS Real Estate Inc	The company announced that it has decided to build its own team to manage its east European assets instead of relying on Prime Kapital, the group which has been developing and managing company's assets in Romania and elsewhere.
NEPI Rockcastle PLC	The company announced that the sales registered by its mall-space leasers rise by 14.3% in 1H19 as compared to 1H18.
NEPI Rockcastle PLC	The company announced that its European Public Real Estate Association-based per-share earnings for 1H19 rose 1.0% to 28.69 euro cents from 28.40 cents a year earlier. EPRA earnings totalled €168.1mn, up 2.4% year-on-year from €164.1mn. Net rental and related income rose 21.3% on an annual basis to €199.8mn from €164.6mn.
Redefine Properties Ltd	The company announced that Daisy Naidoo has been appointed as an independent non-executive director to the board of directors with effect from August 28, 2019.
Redefine Properties Ltd	The company announced that the 3 month JIBAR rate as at August 27, 2019 is 6.817%. Accordingly, the next interest payment, payable on November 27, 2019 for the period August 27, 2019 to November 26, 2019, will be calculated based on a rate of 8.817% p.a. (200 bps over JIBAR).

Redefine Properties Ltd

The company announced that the JSE Ltd has granted Redefine a listing of its RDFB23 Senior Unsecured Floating Rate Notes, due 22 August 2022.

Redefine Properties Ltd

The company announced that the 3 month JIBAR rate as at August 15, 2019 is 6.833%. Accordingly, the next interest payment, payable on November 15, 2019 for the period August 15, 2019 to November 14, 2019, will be calculated based on a rate of 7.763% p.a. (93 bps over JIBAR).

SA Corporate Real Estate Ltd

The company advised its shareholders that its annual compliance report in terms of section 13G(2) of the Broad based Black Economic Empowerment Amendment Act, No 46 of 2013, is available on the website at <http://www.sacorporatefund.co.za/index.php/aboutus/transformation>.

Sirius Real Estate Ltd

The company announced that the proposed allotment of 8,774,368 ordinary shares (Scrip Shares) pursuant to the its Scrip Dividend Alternative, it can confirm that the Scrip Shares have been successfully issued and admitted to the main market of the London Stock Exchange Plc and will be admitted to the premium segment of the official list of the UK Listing Authority and have been issued and admitted to trading on the main board of the Johannesburg Stock Exchange.

Sirius Real Estate Ltd

The company announced that Global law firm Bryan Cave Leighton Paisner has advised it on the acquisition of Alzenau Business Park from RWE Generation SE and GfV Gesellschaft für Vermögensverwaltung, represented by Innogy SE, for a purchase price of approximately €42.0mn.

Stenprop Ltd

The company announced that some of the directors of the associates were engaged in an off-market transaction related to receiving of shares pursuant to the scrip dividend. The total considered value of the transaction is GBP0.2mn.

Vukile Property Fund Ltd

The company announced that it has its stake in Spanish REIT Castellana Properties to 79.91%. The company bought 5.83mn shares, representing 7.79% of Castellana Properties' share capital.

Source: Sharenet, SENS, Afrifocus Securities

Research Disclosure

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