



# Agenda

- Operational update
- Fairvest portfolio
- Office portfolio
- Industrial portfolio
- Retail portfolio
- Financial update
- Q&A



# Operational update to Aug-24



**Darren Wilder**  
CEO

# Fairvest at a glance at 31 August 2024

Diverse portfolio of  
**R12.0bn**

Market Cap  
**R7.6bn**

**1 046 694m<sup>2</sup>**  
of GLA



Retail



Office



Industrial

Sectoral split  
by revenue

**69.1%**

**18.8%**

**12.1%**

Sectoral by  
GLA

**52.7%**

**20.5%**

**26.8%**

Investments  
**5.0%** in Dipula

Gearing levels expected  
below **34%**



# Highlights to August 2024

Vacancy decrease to  
**4.7% / 49 482 m<sup>2</sup>**

(Mar'24 – 5.3% / 55 187 m<sup>2</sup>)

Overall tenant retention  
**85.9%**

(Mar'24 – 87.1%)

LTV expected to be below  
**34%**

Positive rental  
reversions of **4.3%**

(Mar'24 – 3.1%)

Disposals of 6 assets  
transferred at value of  
**R290.3 million**

Expect to **exceed** guided  
distribution per B shares of  
between **41.5** and **42.5** cents

## Total disposals since merger

Asset	Class	Date transferred	Sales value (R'm)	Book value (R'm)	Premium to book value	Average yield	GLA (m <sup>2</sup> )
<b>2022 Financial Year</b>							
Property disposals (4)	Office, Retail, Industrial		41.4	39.1	5.9%	11.1%	11 184
<b>2023 Financial Year</b>							
Property disposals (7)	Office, Retail		338.0	327.4	3.2%	10.5%	39 134
Indluplace	Residential		651.4			9.7%	
<b>2024 Financial year</b>							
Urban Brew	Office	19 Oct 23	31.5	31.5	0.0%	-6.5%	8 248
Isle of Houghton	Office	19 Mar 24	185.0	174.0	6.3%	4.3%	28 554
2Twenty Madiba	Office	20 Mar 24	53.0	53.0	0.0%	-7.1%	12 093
Nyanga KTC	Retail	10 May 24	2.0	4.1	-50.6%	-7.9%	1 242
Ellerines Thohoyandou	Retail	17 Jul 24	9.3	9.3	0.0%	13.6%	829
The Main Change	Industrial	5 Sep 24	9.5	9.5	0.0%	4.6%	5 268
<b>2024 Total (6)</b>			<b>290.3</b>	<b>281.4</b>	<b>3.2%</b>	<b>1.3%</b>	<b>56 234</b>
<b>Total disposals (17)</b>			<b>1 321.1</b>			<b>8.1%</b>	

## Sales to be transferred

Asset	Class	Expected date of transfer	Sales value (R'm)	Book value (R'm)	Premium to book value	Average yield	GLA (m <sup>2</sup> )
New Pioneer Park	Industrial	31 Oct 24	24.0	18.5	29.7%	9.0%	3 154

# Fairvest portfolio



**Darren Wilder**  
CEO

# Fairvest portfolio highlights

**129** assets

**1 046 694 m<sup>2</sup>**  
of GLA

Tenant retention  
**85.9%**  
(Mar'24 – 87.1%)

Vacancy at  
**4.7% / 49 482 m<sup>2</sup>**  
(Mar'24 – 5.3% / 55 187 m<sup>2</sup>)

Reversions positive at  
**4.3%**  
(Mar'24 – 3.1%)

Average gross  
rental per m<sup>2</sup>  
**R126.78**  
(Mar'24 – R124.54)

Weighted average  
built in escalation  
**6.6%**  
(Mar'24 – 6.6%)

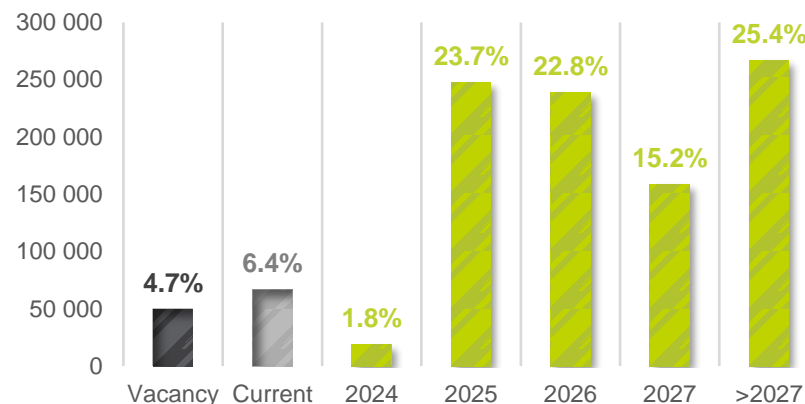
WALE  
**29.1 months**  
(Mar'24 – 28.0 months)

# Portfolio leasing activity

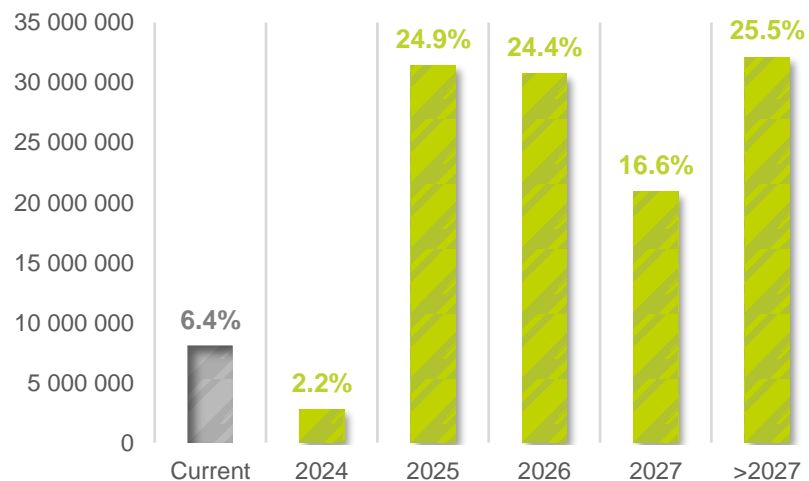
<b>New deals</b>	<b>Aug '24</b>	Mar '24
Number of leases	<b>490</b>	257
Total GLA m <sup>2</sup>	<b>133 999</b>	80 092
Average gross rental achieved (R/m <sup>2</sup> )	<b>90.80</b>	85.55
Weighted average escalations	<b>7.0%</b>	7.0%
WALE (months)	<b>38.4</b>	39.0

<b>Renewals</b>	<b>Aug '24</b>	Mar '24
Number of leases	<b>424</b>	155
Total GLA m <sup>2</sup>	<b>150 079</b>	74 000
Average gross rental expiry (R/m <sup>2</sup> )	<b>113.79</b>	104.01
Average gross rental achieved (R/m <sup>2</sup> )	<b>118.68</b>	107.25
Budget vs actual achieved	<b>3.5%</b>	3.1%
Average growth	<b>4.3%</b>	3.1%
Weighted average escalation	<b>6.7%</b>	6.8%
WALE (months)	<b>38.6</b>	35.2

## Fairvest Lease expiry profile by GLA



## Fairvest Lease expiry profile by revenue





# Office portfolio



**Darren Wilder**  
CEO



# Office portfolio highlights

**29** assets

**215 007 m<sup>2</sup>**  
of GLA

Tenant retention  
**75.6%**  
(Mar'24 – 78.5%)

Vacancy at  
**10.7% / 23 109 m<sup>2</sup>**  
(Mar'24 – 12.6% / 27 352 m<sup>2</sup>)

% of total portfolio  
GLA – **20.5%**  
Revenue – **18.8%**

Average gross  
rental per m<sup>2</sup>  
**R124.67**  
(Mar'24 – R123.50)

Weighted average  
built in escalation  
**6.9%**  
(Mar'24 – 6.7%)

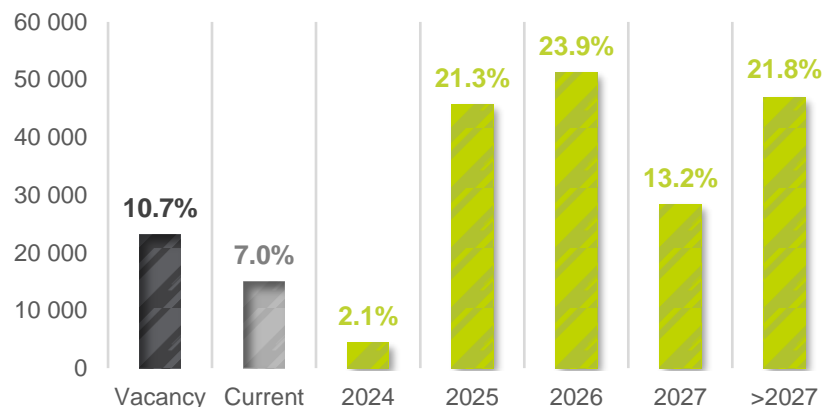
WALE  
**25.8 months**  
(Mar'24 – 24.9 months)

# Office leasing activity

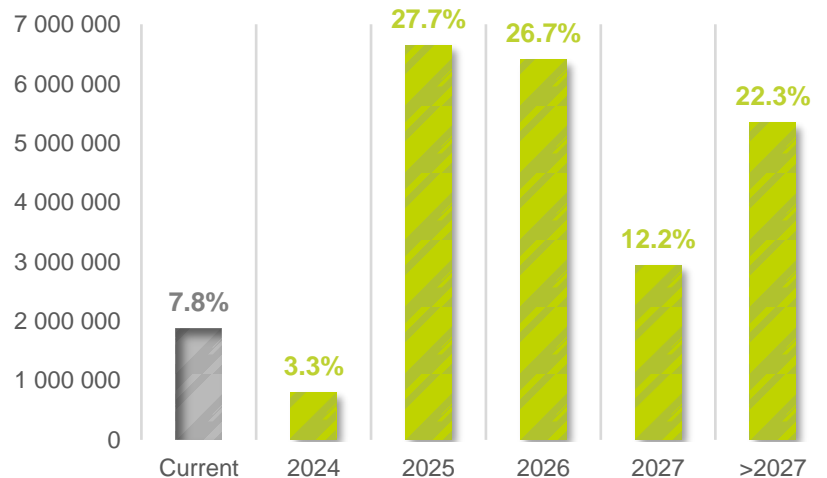
<b>New deals</b>	<b>Aug '24</b>	Mar '24
Number of leases	134	72
Total GLA m <sup>2</sup>	34 028	18 503
Average gross rental achieved (R/m <sup>2</sup> )	116.59	123.36
Weighted average escalations	7.3%	7.3%
WALE (months)	37.7	39.4

<b>Renewals</b>	<b>Aug '24</b>	Mar '24
Number of leases	62	25
Total GLA m <sup>2</sup>	20 811	8 722
Average gross rental expiry (R/m <sup>2</sup> )	127.72	126.57
Average gross rental achieved (R/m <sup>2</sup> )	131.16	127.06
Budget vs actual achieved	5.6%	2.3%
Average growth	2.7%	0.4%
Weighted average escalation	6.7%	7.0%
WALE (months)	34.5	33.1

## Fairvest Lease expiry profile by GLA



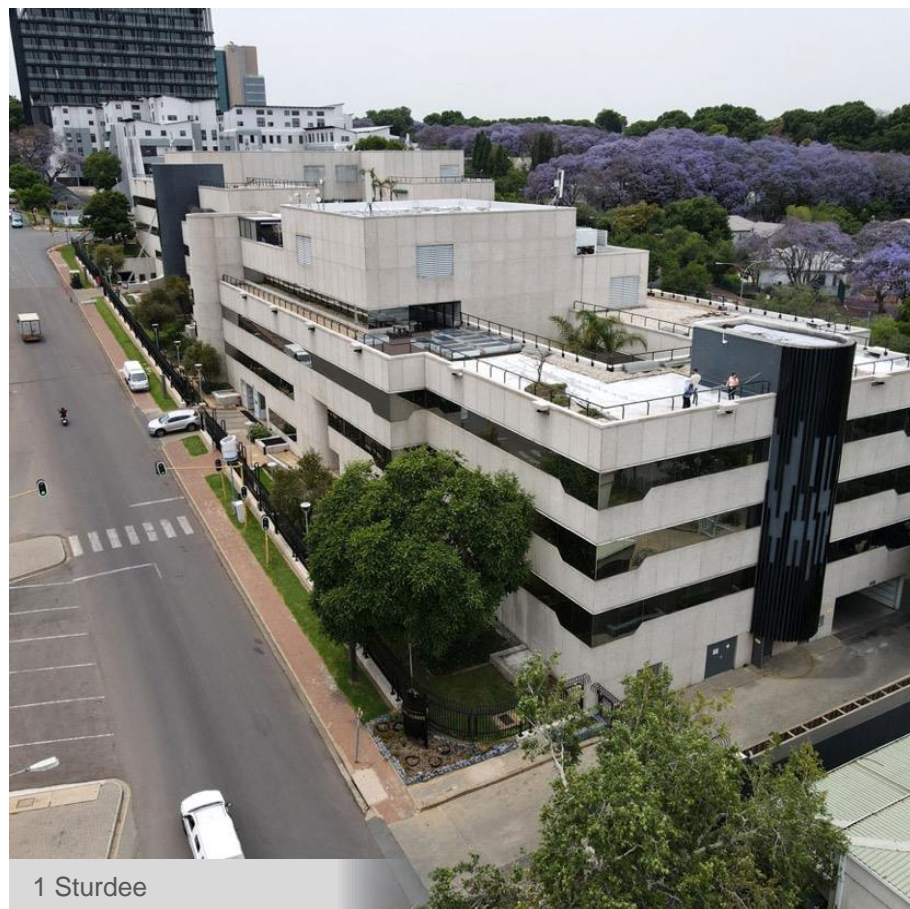
## Fairvest Lease expiry profile by revenue





# Office strategic objectives

- Continued strategic investment into refurbishments to extract additional value in preparation for disposal.
- Focus on improving lease length and built-in escalations, as we move into a more sustainable environment.
- Successful “retailing” of space by implementing flexible office , storage solutions and the continued implementation of FairSpecing.
- Strategic focus on the disposal of non-core assets.
- Value extraction by maximizing all revenue streams and a tight control of expenses.
- Focused effort on collection of rentals.
- With a respite in office developments and a several existing buildings being converted; our portfolio is well-positioned to attract the returning businesses as work from home fades.





# Industrial portfolio



**Darren Wilder**  
CEO



# Industrial portfolio highlights

**28** assets

**280 653 m<sup>2</sup>**  
of GLA

Tenant retention  
**91.6%**  
(Mar'24 – 91.8%)

Vacancy at  
**0.9% / 2 449 m<sup>2</sup>**  
(Mar'24 – 2.3% / 6 580 m<sup>2</sup>)

% of total portfolio  
GLA – **26.8%**  
Revenue – **12.1%**

Average gross  
rental per m<sup>2</sup>  
**R54.98**  
(Mar'24 – R53.30)

Weighted average  
built in escalation  
**7.1%**  
(Mar'24 – 7.0%)

WALE  
**28.3 months**  
(Mar'24 – 27.9 months)

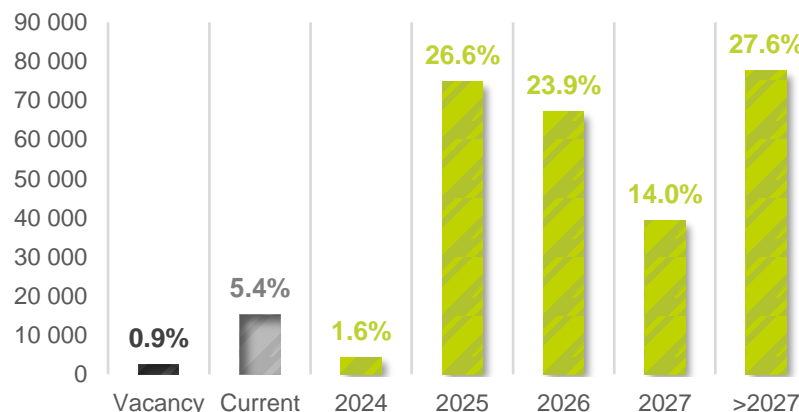


# Industrial leasing activity

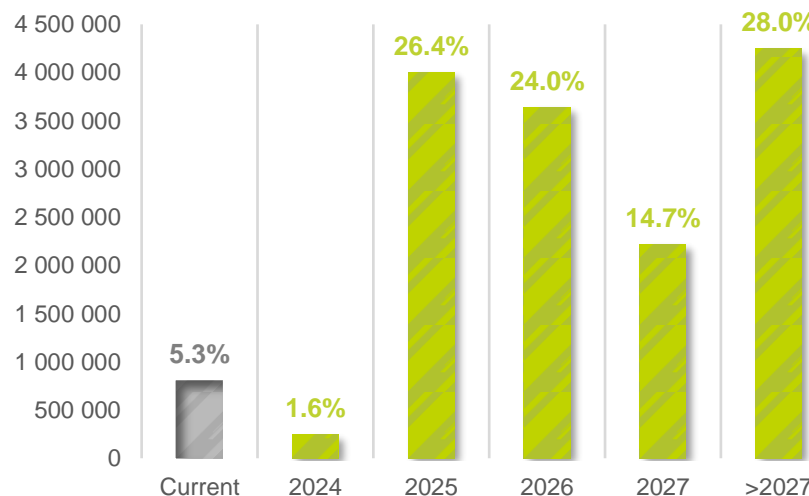
<b>New deals</b>	<b>Aug '24</b>	<b>Mar '24</b>
Number of leases	93	53
Total GLA m <sup>2</sup>	60 945	41 502
Average gross rental achieved (R/m <sup>2</sup> )	45.95	46.64
Weighted average escalations	7.1%	7.0%
WALE (months)	34.8	38.6

<b>Renewals</b>	<b>Aug '24</b>	<b>Mar '24</b>
Number of leases	72	32
Total GLA m <sup>2</sup>	66 870	38 676
Average gross rental expiry (R/m <sup>2</sup> )	45.73	44.76
Average gross rental achieved (R/m <sup>2</sup> )	50.20	47.91
Budget vs actual achieved	8.7%	7.4%
Average growth	9.8%	7.0%
Weighted average escalation	7.2%	7.1%
WALE (months)	39.2	31.1

## Fairvest Lease expiry profile by GLA



## Fairvest Lease expiry profile by revenue





# Industrial strategic objectives

- Tenant retention at 90%.
- Increase core portfolio growth by maintaining and reducing expenses.
- Improve coverage of back up power and water across the portfolio.
- Constant engagement with CID / Council to maintain the sustainability of the node surrounding our asset.
- Target a 1% vacancy rate.
- Focus on non-GLA income potential across the multi-let parks.



Beka Candela



# Retail portfolio



**Darren Wilder**  
CEO



# Retail portfolio highlights

**72** assets

**551 034m<sup>2</sup>**  
of GLA

Tenant retention  
**85.5%**  
(Mar'24 – 84.6%)

Vacancy at  
**4.3% / 23 924 m<sup>2</sup>**  
(Mar'24 – 3.9% / 21 255 m<sup>2</sup>)

% of total portfolio  
GLA – **52.7%**  
Revenue – **69.1%**

Average gross  
rental per m<sup>2</sup>  
**R165.45**  
(Mar'24 – R162.46)

Weighted average  
built in escalation  
**6.5%**  
(Mar'24 – 6.5%)

WALE  
**30.7 months**  
(Mar'24 – 31.0 months)

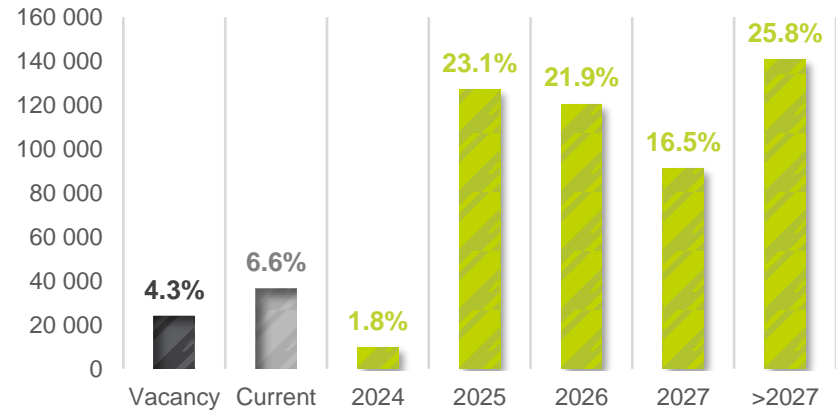


# Retail leasing activity

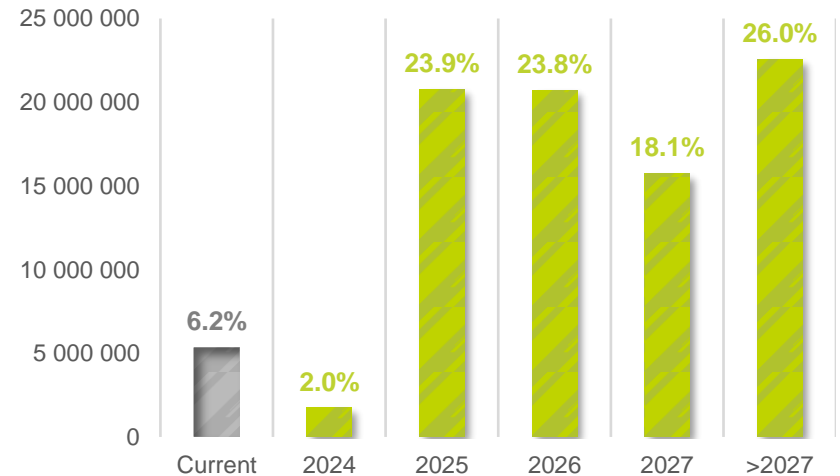
<b>New deals</b>	<b>Aug '24</b>	Mar '24
Number of leases	<b>263</b>	132
Total GLA m <sup>2</sup>	<b>39 026</b>	20 087
Average gross rental achieved (R/m <sup>2</sup> )	<b>138.36</b>	131.13
Weighted average escalations	<b>6.7%</b>	6.7%
WALE (months)	<b>44.1</b>	39.2

<b>Renewals</b>	<b>Aug '24</b>	Mar '24
Number of leases	<b>290</b>	98
Total GLA m <sup>2</sup>	<b>62 398</b>	26 602
Average gross rental expiry (R/m <sup>2</sup> )	<b>182.08</b>	182.76
Average gross rental achieved (R/m <sup>2</sup> )	<b>187.90</b>	187.02
Budget vs actual achieved	<b>1.7%</b>	1.8%
Average growth	<b>3.2%</b>	2.3%
Weighted average escalation	<b>6.6%</b>	6.6%
WALE (months)	<b>39.4</b>	41.8

## Fairvest Lease expiry profile by GLA



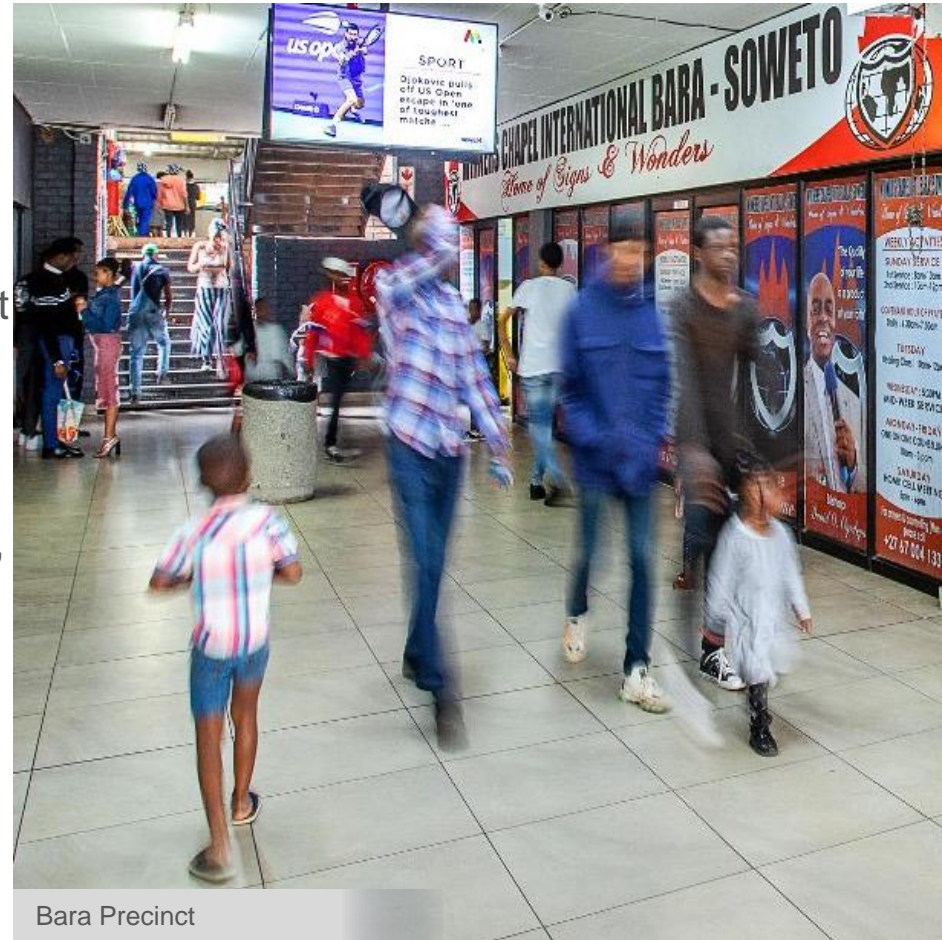
## Fairvest Lease expiry profile by revenue





# Retail objectives

- Continued focus on tenant retention via enhancing relationships with the retailers.
- Elections behind us with a positive outcome, looking forward to improved stability and market positivity.
- Security remains a challenge and a focus for us.
- Stable trade with the reduction in loadshedding, improved trading hours and saving on diesel.
- Improving the quality of the tenant mix.
- Focus on strategic CAPEX deployment – defending existing & yield enhancing income streams.



Bara Precinct

# Financial update



**Jacques Kriel**  
CFO



# Financial update

- Expect LTV to be below 34% at 30 September 2024
- Fixed debt at above 65% at 30 September 2024
- All bank covenants expected to be comfortably met
- Debt facilities of R530 million settled outright during the year
- R1.7 billion of unencumbered assets available allowing flexibility
- Discount to NAV per B-share significantly reduced
- Expected to exceed the guided distribution per share for the year of between 41.5 and 42.5 cents per B-share

# Q & A

