



**Stor-Age Property REIT Limited**  
 (Incorporated in the Republic of South Africa)  
 (Registration number 2015/168454/06)  
 (Share Code: SSS ISIN ZAE000208963)  
 (Approved as a REIT by the JSE)  
 (“**Stor-Age**” or “the **Company**”)

**Enhanced asset management, property management and licencing fee revenues from the transfer of properties within pipeline**

The board of directors of Stor-Age is pleased to provide an update in respect of new self storage properties being developed by Roeland Street Investments 2 Proprietary Limited (“RSI 2”) and Roeland Street Investments 3 Proprietary Limited (“RSI 3”) (collectively “Devco”).

Devco owns a portfolio of eight properties in the early stages of lease up and has secured a pipeline of further development opportunities. Stor-Age earns property management fees and asset management fees from managing and operating properties owned by Devco. In addition, Stor-Age will also earn licencing fees and development fees for new properties developed by Devco.

Devco has taken transfer of the following properties which are being developed as new self storage facilities which will be operated and managed by Stor-Age on completion. The salient details are set out below:

Owner	RSI 2	RSI 2	RSI 3
Property:	Stor-Age Sunninghill	Stor-Age Berea, Durban	Stor-Age Randburg
Date of transfer to RSI 2:	16 November 2015	15 December 2015	28 January 2016
Address:	2 Kikuyu Road, Sunninghill	23 Calder Road, Berea	225 Bram Fischer Drive, Randburg
Projected development cost:	R85 million	R72 million	R81 million
Gross building area:	12 400m <sup>2</sup>	11 000m <sup>2</sup>	9 800m <sup>2</sup>
Anticipated completion date and start of trade:	October 2016	December 2016	February 2017

Stor-Age will earn the following fees (excluding VAT) from the development of these three new properties as follows:

1. A development fee equivalent to 1.75% of the total development cost payable in instalments over the period of the development;
2. A licence fee of R1 000 000 for each property payable on completion of the development;
3. A monthly property management fee equal to 7% of the gross monthly income of each property, subject to a minimum fee of R25 000 per month and a maximum fee of R75 000 per month; and
4. On completion of development, an asset management fee of approximately 0.88% per annum of the market value of each property, payable in monthly instalments.

The new properties will be highly visible, modern and purpose built facilities that are situated in prominent locations within close proximity to high density, middle-to-upper-income suburbs. The properties have been designed to complement the existing built environment in which they trade and

are expected to further increase awareness of the Stor-Age brand and enhance Stor-Age's presence in Johannesburg and Durban.

Stor-Age will also have a pre-emptive right to acquire these new properties together with the existing eight properties owned by Devco.

Stor-Age Independent Non-executive Chairman Paul Theodosiou commented: *"It's pleasing to see that Stor-Age has secured the rights over another three good development opportunities. All these sites have strong property fundamentals, and will be well supported by the fund's robust operations platform. Following on from an 8% year-on-year increase in customer enquiries for the quarter ended December 2015, Stor-Age is well positioned for sustainable growth in the portfolio."*

### **Cape Town**

1 February 2016

### **Sponsor**

