

Markets welcome Stor-Age listing

MARKET commentators say Stor-Age will be a welcome addition to the listed real estate sector as it offers investors a defensive alternative to offices, industrial and retail property. **Page 6**

Stor-Age finds space on the JSE

ALISTAIR ANDERSON

Property Writer

MARKET commentators say Stor-Age, the first self-storage company to list on the JSE, will be a welcome addition to the listed real estate sector as it offers institutional investors a defensive alternative to offices, industrial and retail property.

Ten years after it was founded, Stor-Age will be listed with a R1.3bn portfolio next month. CEO Gavin Lucas said yesterday demand for storage space was growing quickly as SA's emerging black middle class grew and its suburbs and cities became more densely populated.

"Stor-Age has established itself as the dominant self-storage company in the country. We want to list as a real estate investment trust that follows in the footsteps of international self-storage peers who have consistently outperformed the listed property sectors of the US, UK and Australia in recent years," Mr Lucas said.

The head of listed property funds at Stanlib, Keillen Ndlovu, said Stor-Age was an exciting company with a strong team.

"We like the quality of the buildings, business model and management. Their properties are perfectly located close to where people live. Storage has been a very successful sector

globally, especially in the US. We believe that there is room for growth in SA over time. It's also refreshing as well to have a new sector in the listed property sector which is traditionally made up of retail, office and industrial sectors," he said.

Sesfikile Capital director Kundayi Munzara said the field had investor appeal.

"We know the Stor-Age team relatively well and have had a look at some of their assets. We believe they are a strong team with a unique product that will be welcomed by our sector."

Stor-Age was founded in 2005 by the Lucas family, which makes up the executive management and will continue to hold about 30% of the company after the listing. The firm will run an international bookbuild before listing. The share offer will aim at reaching both institutions and private investors.

Mr Lucas said the firm was looking to raise about R700m from institutional investors.

"This niche market is recession-resilient given that self-storage is a need-based requirement which prevails in any economic cycle. Domestic users of self-storage are driven by a change in circumstance or lifestyle such as upscaling or downscaling."

andersona@bdlive.co.za