

## FRESH LISTING

# A new age

**SA property punters** may be less familiar with self-storage as an asset class than their US counterparts are. But judging by the positive response to this week's listing of Stor-Age, the JSE's first niche owner and operator of self-storage facilities, the sector clearly offers a compelling investment case for income chasers looking for an alternative to office, retail or industrial-focused real estate offerings. The prelisting placement was significantly oversubscribed, prompting Stor-Age to increase



**Keillen Ndlovu**  
Likes strategy

its capital raising target from R820m to R1,02bn.

Shares worth more than R3,8m traded in the first 30 minutes of listing. That's quite an achievement for a small-cap (market cap of R1,4bn) listing, considering how many new and existing property counters are clamouring for investor support.

"We like the Stor-Age strategy and management team," says Stanlib's head of listed property funds, Keillen Ndlovu. "It brings something new and refreshing to the JSE and operates in a less competitive environment than funds exposed to the well-established retail, office and industrial sectors. Assets are not as easy to replicate, given that they have to be close to where peo-

ple live, and it is difficult to acquire land in such areas." He says the 8% forward yield at which Stor-Age listed, with forecast dividend growth of around 10%/year, is attractive, compared to a yield of less than 7% and expected growth of 6%-8%/year for the property sector.

Stor-Age was founded 10 years ago by Cape Town-based chartered accountants Gavin Lucas and Steven Horten. They built their first self-storage facility in 2006. Today the company owns a R1,3bn portfolio of 24 storage parks located near middle- to upper-income residential areas in Cape Town, Johannesburg, Pretoria and Durban. It has a pipeline of another 19 self-storage facilities (eight of which are already built), which could be added to the portfolio within the next two to four years.

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