

## **OVERSUBSCRIBED STOR-AGE BOOKBUILD RAISES R400 MILLION**

**JSE REIT Stor-Age, the leading and only listed self storage property fund in South Africa, has closed its accelerated bookbuild announced earlier today.**

The significantly oversubscribed bookbuild saw R400 million of equity raised at a price of R12 per share, representing a 3.5% discount to the 30-day volume weighted average traded price.

Initially seeking to raise R350 million, demand for Stor-Age stock saw the quantum of capital raised increase, despite the constrained domestic environment and subdued JSE REIT sector.

In a strong vote of confidence for management's strategy, the capital raised will allow Stor-Age to take advantage of new opportunities in the pipeline in both South Africa and the United Kingdom. These include the recently opened Stor-Age Bryanston and an additional 12 properties located in key locations across South Africa following the acquisition of the Managed Portfolio announced earlier in September.

Dominated by bespoke 'Big Box' self storage properties, the Managed Portfolio includes locations such as Claremont in Cape Town, Brooklyn and Silver Lakes in Pretoria, Mount Edgecombe in Durban and Sunninghill in Johannesburg. With the Managed Portfolio offering a combined GLA of 86 300m<sup>2</sup> and occupancy levels of 73%, post-acquisition Stor-Age's property assets will increase to R5-billion.

As one of only nine publicly-traded self storage REITs globally, Stor-Age continues to showcase their success despite the tough local trading conditions. According to Stor-Age CEO Gavin Lucas, "Self storage is a niche, specialised asset class which is not subject to the same macro-economic factors that drive demand and supply dynamics for traditional REITs. Self storage benefits from having a consistent level of demand throughout the different economic cycles. It's this consistent level of demand which sustains the performance of the assets through the economic cycle."

Lucas goes on to explain further that, "In today's market, it would be extremely difficult to replicate a portfolio of self storage properties like those in our Managed Portfolio in South Africa as the barriers to entry are high."

"On average, it could take one to two years to secure just one prime location at fair market value, and to successfully negotiate the town planning consent would be two years at best. You then need to consider the time to both construct the property and lease it up to a state of maturity, which is generally four years or more. Thus in total, one is looking at a total time period of approximately eight to ten years from site identification to trading at a mature occupancy level, for just one prime self storage asset."

Stor-Age's strategy is centred on acquiring high quality properties in outstanding locations. In November 2017, the company made a strategic entry into the UK self storage market with the acquisition of Storage King, the sixth largest UK self storage brand. Says Lucas, "Despite the uncertainty created by Brexit, self storage as a sub-sector of the commercial property market continues to trade positively in the UK. Our Storage King brand continues to deliver in line with our forecasts and we remain excited about the growth prospects for our UK platform."

The company now trades from and manages a combined portfolio of 74 properties across South Africa and the United Kingdom (64 trading and 10 new developments), covering a GLA of more than 413 000 m<sup>2</sup>.

The trading portfolio is concentrated in the four major South African cities - Johannesburg, Cape Town, Pretoria and Durban, with the United Kingdom portfolio having a bias towards the East and South-East of England.

Ends.

---

**Issued by: PR Lab**

**Rob Baird**

rob@prlab.co.za

(021) 447 3237

**On behalf of: Stor-Age Property REIT Limited**

**CEO, Gavin Lucas**

**Website:** [www.stor-age.co.za](http://www.stor-age.co.za)

**Share code: SSS**

**JSE sector: Speciality REITs**

**ISIN: ZAE000208963**

**Issue date: 26 September 2018**

*Note:*

Stor-Age is South Africa's only specialist self storage REIT on the JSE. The fast growing self storage sector is a niche sub-sector of the broader commercial property market. Stor-Age's portfolio is differentiated by its properties' high visibility to passing traffic, easy access off busy arterial routes and proximity to middle to upper income suburbs.

Stor-Age made a strategic entry into the UK self storage market in November 2017 and now owns the sixth largest UK self storage brand – Storage King.