

## **Stor-Age continues off-shore expansion with R224 million UK acquisition**

**JSE listed REIT Stor-Age, the only self storage property group listed on any emerging market exchange, has continued on its UK expansion strategy with the acquisition of Viking Self Storage for £12 million.** The acquisition is in line with Stor-Age's strategy of expanding its UK footprint to complement its ongoing success in South Africa.

The acquisition will fall under the Storage King brand, the sixth largest self storage operator in the UK which Stor-Age acquired in November 2017 in a R1.3 billion transaction. The transaction will increase Stor-Age's total GLA to 418 500 m<sup>2</sup>, while the total number of properties trading under the Storage King brand will increase to 27.

The purchase consideration of the acquisition will be settled in cash, funded from Stor-Age's existing debt facilities.

Stor-Age CEO Gavin Lucas says the UK self storage sector remains a significant growth opportunity, "Despite the uncertainty caused by Brexit, we continue to experience attractive and growing levels of demand for our product and see a consequential robust trading performance at our properties. The performance is in line with the positive growth seen by UK listed self storage REIT peers and private sector participants. The sector remains an attractive investment due to its proven resilience and the acquisition of Viking Self Storage forms part of our strategic growth plan within the UK."

Established in 2013 and prominently located in the town of Bedford, 90km north of central London, Viking Self Storage trades into a dense residential area and benefits from being positioned in close proximity to both a Tesco and Waitrose supermarkets, as well as several other big box retailers. Over the prior 18 months the property has consistently traded at the 90% occupancy level and comprises a pair of adjoining buildings that were converted for self storage use over two levels. The property offers a GLA of approximately 4 800 m<sup>2</sup> with the opportunity to expand to approximately 5 400 m<sup>2</sup>.

"We are pleased to have concluded this acquisition and with the increasing momentum which it represents in our UK operations. We remain focused at driving attractive organic growth in revenue by increasing both occupancies and rental rates, and we remain confident in the future prospects of our well located and resilient self storage portfolios in both SA and the UK to continue delivering attractive shareholder value," adds Lucas.

As reported in Stor-Age's interim results for the period ended 30 September 2018, the UK portfolio performed broadly in line with forecasts, delivering a closing occupancy of 81.2% at an average rental rate of £21.46 per sqf, increasing by 3.0% and 1.6% in the six month period from March 2018, respectively.

Since listing Stor-Age has consistently either met or exceeded its distribution forecasts.

The share closed yesterday at R13.16.

Ends.

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*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 6th largest UK self storage brand – Storage King.

The portfolio across South Africa and the United Kingdom comprises 74 properties (64 trading and 10 new developments), covering a GLA of c.418 500 m<sup>2</sup>. The portfolio is concentrated in the four major South African cities - Johannesburg, Cape Town, Pretoria and Durban (49 properties), with the United Kingdom portfolio having a bias towards the East and South-East of England (15 properties).

In addition to the 64 properties trading under the Stor-Age and Storage King brands, a further 12 properties trade under licence of the Storage King brand in the UK, bringing the total number of properties trading under the Storage King brand to 27. Stor-Age earns licensing fees on these properties.

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