



INDLUPLACE
DWELLING ON RESIDENTIAL



ANNUAL RESULTS PRESENTATION 2016



STRATEGY

OUR STRATEGY

- Long-term investor in South African property
- Only focused residential REIT
- Diverse portfolio lowering risk
- Quarterly dividends
- Grow portfolio aggressively
- Yield enhancing acquisitions
- Outsourced property management
- Low gearing levels
- Grow dividends

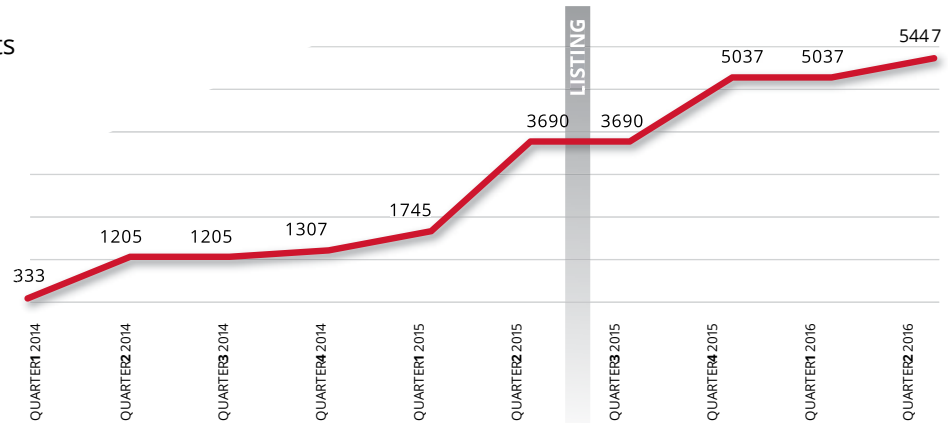


year in

REVIEW

ACHIEVEMENTS

- Dividend growth 10,5% over listing prospectus
- Increased portfolio by R630m (37% in value)
- Portfolio unit growth 48%
- Moving to single property management system
- Maintaining low vacancies 3,4%
- Very low bad debts
- Zero evictions





FINANCIALS

DIVIDENDS

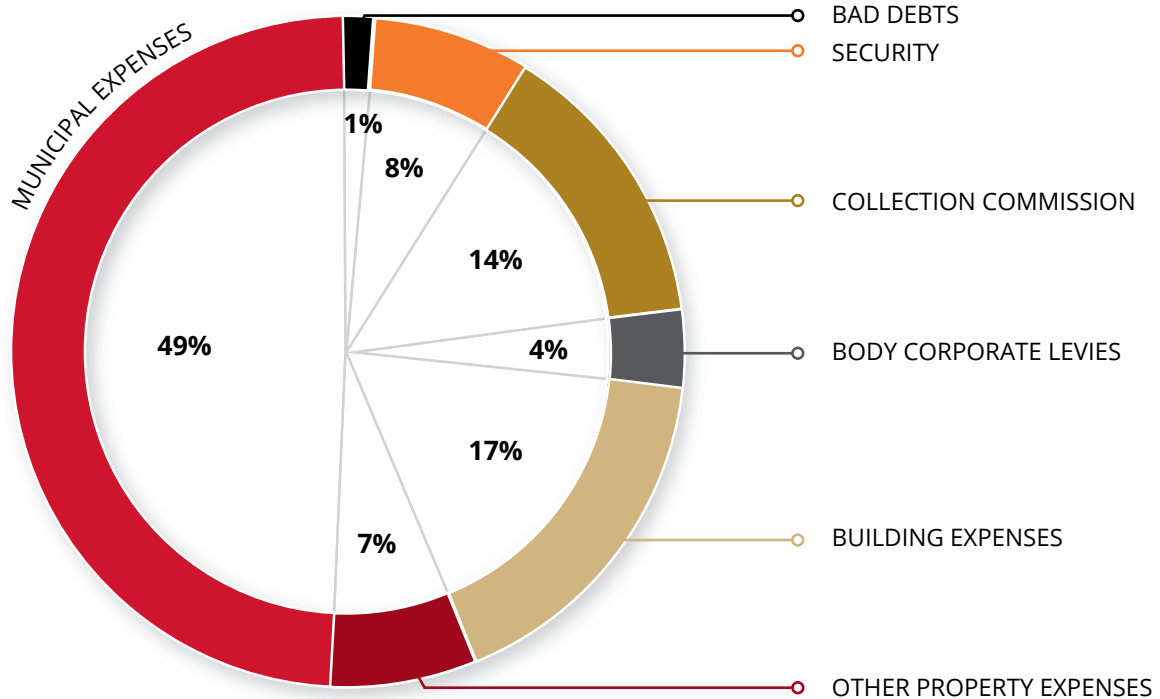
	CENTS PER SHARE	RANDS
Quarter 1	22,93	55 087 474
Quarter 2	23,07	55 430 505
6 months ended 31 March 2016	46,00	110 517 979
Quarter 3	23,26	55 863 048
Quarter 4	23,35	56 093 007
12 months ended 30 September 2016	92,61	222 474 034

10,5% UP ON PRE-LISTING GUIDANCE OF 83,8 CENTS

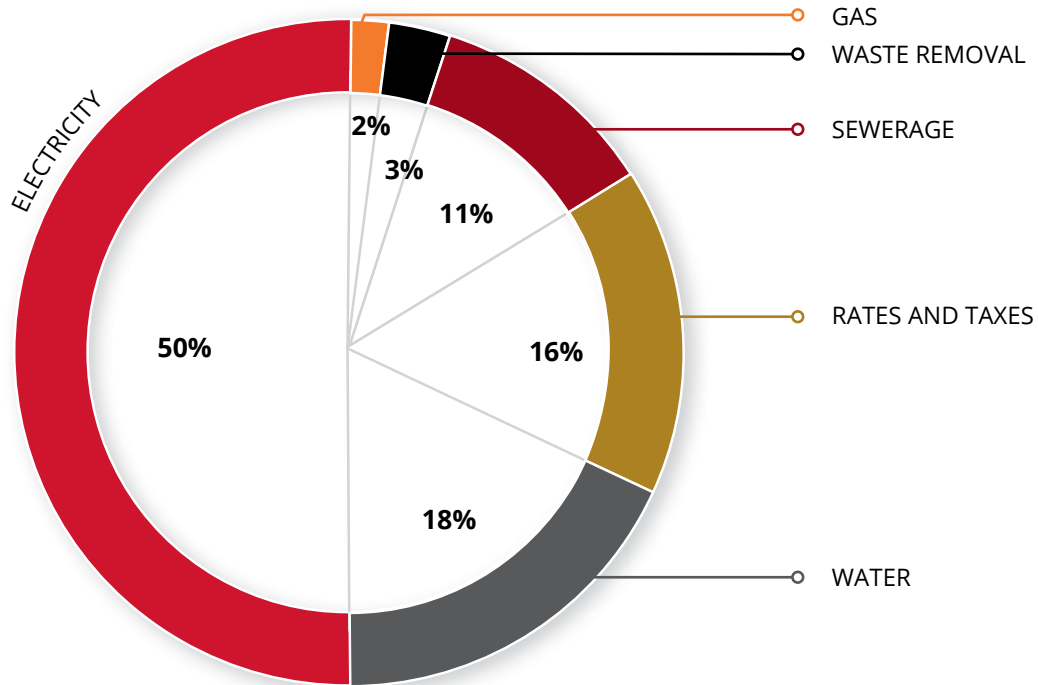
DISTRIBUTABLE INCOME STATEMENT

	12 MONTHS ENDED 30 SEPTEMBER 2016	12 MONTHS ENDED 30 SEPTEMBER 2015
Contractual revenue	284 565 745	139 109 134
Net property expenses	(66 141 768)	(28 874 982)
Net property income	218 423 977	110 234 152
Administration costs	(11 845 062)	(4 105 869)
Net finance charges	12 039 679	(50 065 914)
Antecedent income	3 855 441	10 198 321
Distributable income	222 474 034	66 260 690
Net property expense ratio	23,2%	20,8%

PROPERTY EXPENSE BREAKDOWN



MUNICIPAL EXPENSE BREAKDOWN



BAD DEBTS, ARREARS AND VACANCIES

BAD DEBTS

- under 0,5% of revenue

ARREARS

- R1,9 million

VACANCIES

- 3,4% - 30 September 2016
- 6,2% - 30 March 2016
- 9,4% - 30 September 2015 (including the units handed back by Monash)

BALANCE SHEET

R	2016	2015
Investment property	2 391 762 000	1 711 457 360
Computer software	118 921	-
Loans to participants of Indluplace Share Scheme	175 793 630	175 793 630
Trade and other receivables	46 589 696	36 986 915
Loan to shareholder	1 037 797	631 214
Cash and cash equivalents	46 266 763	35 405 809
Total assets	2 661 568 807	1 960 274 928
Shareholders' interest	2 458 890 539	1 934 848 508
Secured financial liabilities	149 390 178	-
Derivative instruments	2 455 041	-
Trade and other payables	50 833 049	25 426 420
Total equity and liabilities	2 661 568 807	1 960 274 928
Number of shares in issue at year end	240 234 907	193 373 003
Net asset value (cents)	1 023,54	1 000,58

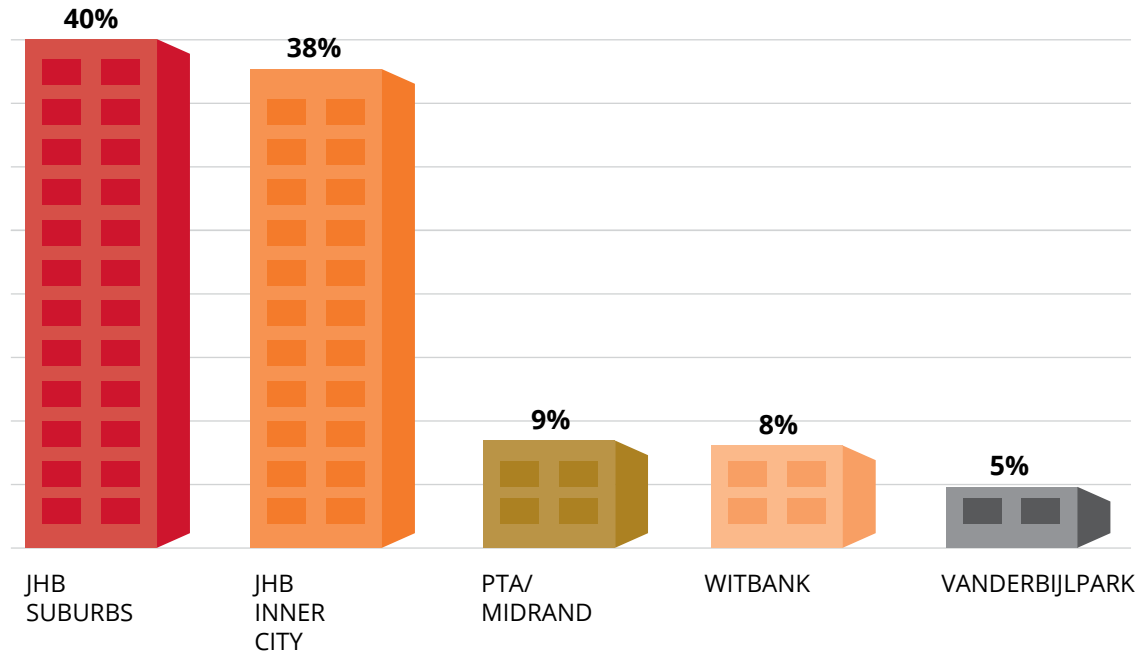
LOANS AND GEARING

- Loans R150 million
- Property portfolio R2,4 billion
- LTV 6,3%
- Headroom R1,7 billion @ 35% LTV equates to loans of R595 million (excluding additional acquisitions)
- 100% of loan exposure at year end hedged

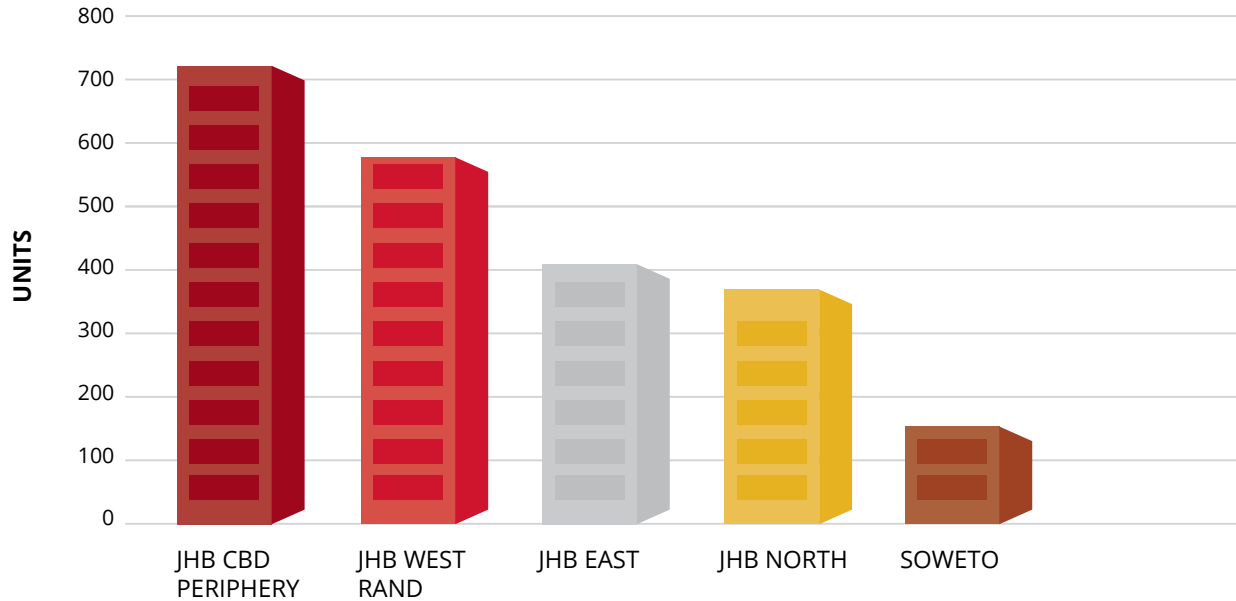


PORTFOLIO

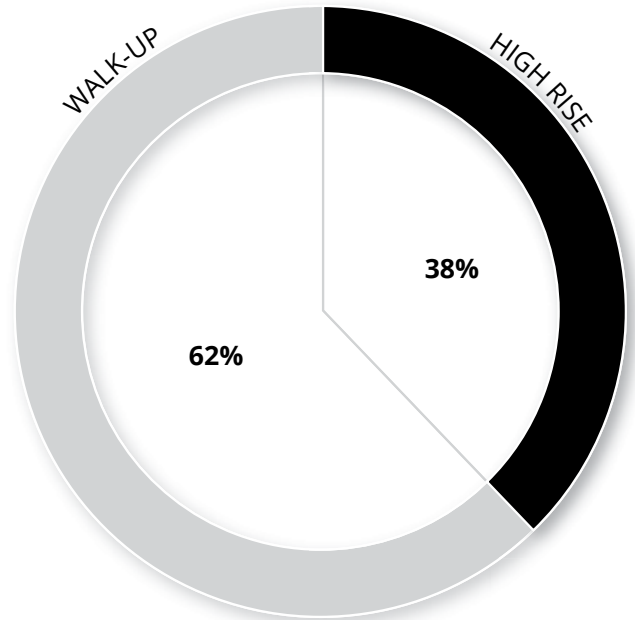
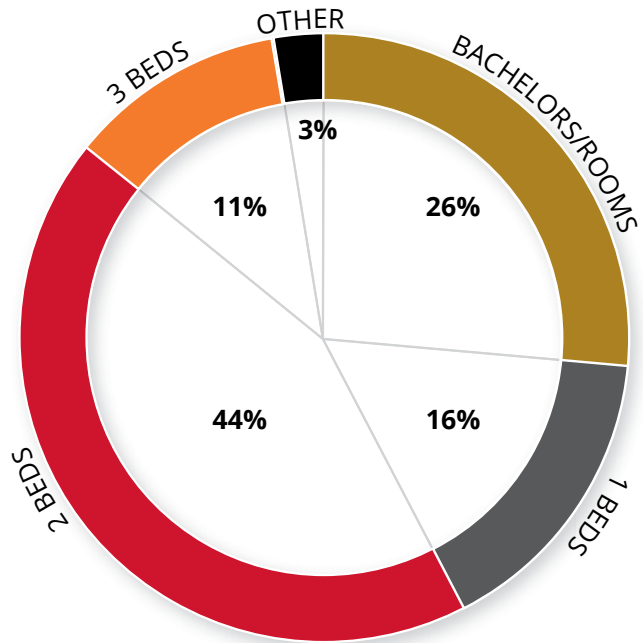
RESIDENTIAL UNIT LOCATION



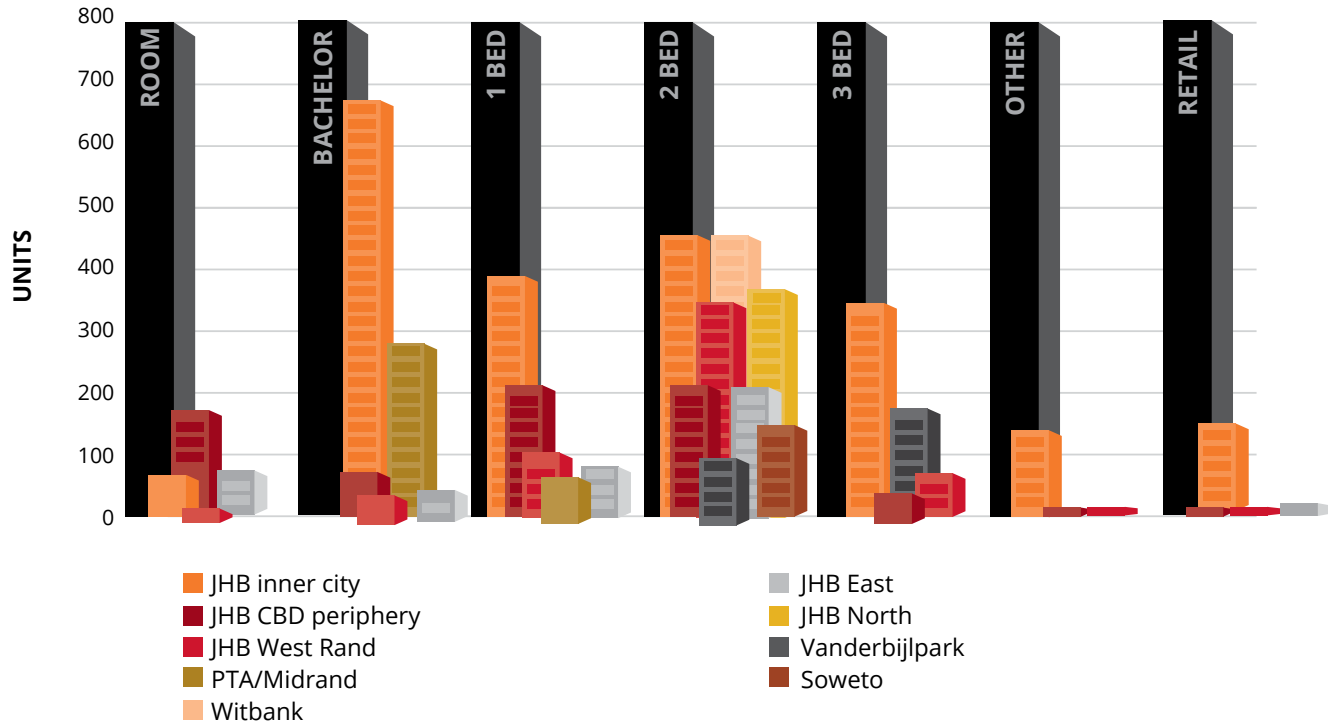
RESIDENTIAL UNIT - JHB SUBURB BREAKDOWN



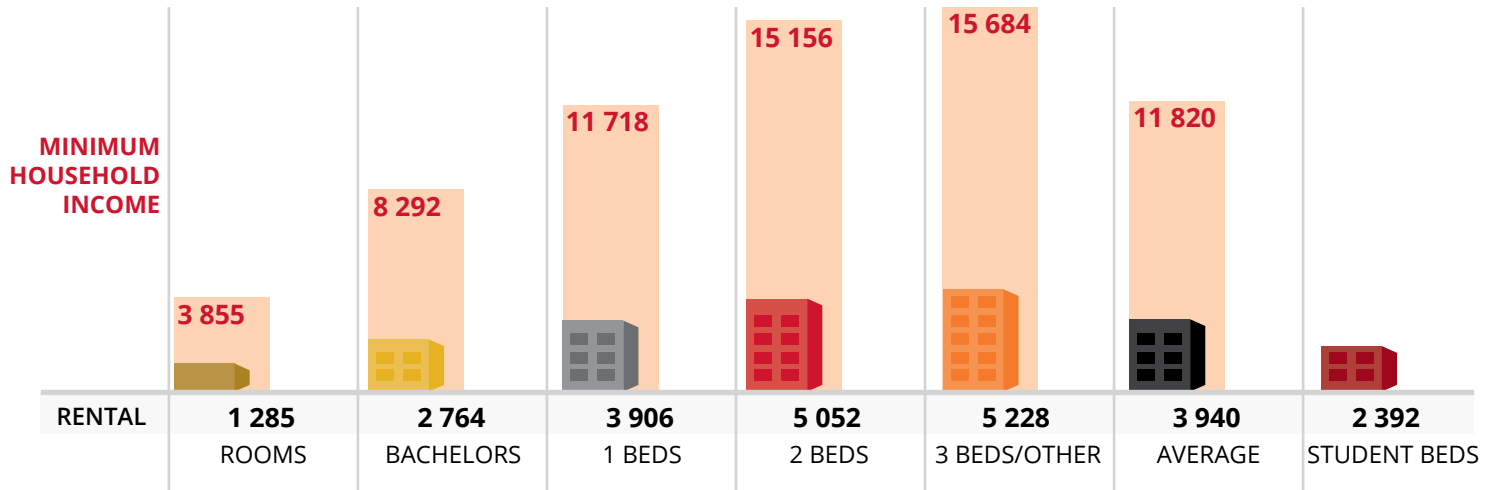
PORTFOLIO INFO



UNIT TYPE / AREA



AVERAGE RENTAL AND HOUSEHOLD INCOME



PROPERTY MANAGEMENT

PROPERTY MANAGEMENT OUTSOURCED TO 5 SPECIALIST MANAGERS:

- Mafadi
- CSI
- Prime
- Amorispan
- Citiq

Mafadi manages about 56% of our portfolio.



involvement in the



COMMUNITY

INVOLVEMENT IN COMMUNITY



HILLBROW – EKHAYA COMMUNITY INVOLVEMENT DISTRICT

- Established in 2004 in Hillbrow
- Expanding footprint
- Priority to assist CoJ with making the area safe and clean
- Additionally have created a sense of community via various programmes aimed at all community groups
- Building managers forum, men and women groups, kids sports day and holiday programmes
- All funded by voluntary membership of like-minded property owners
- Indluplace taking leading role

INVOLVEMENT IN COMMUNITY

WINDSOR ACTION GROUP / COMMUNITY POLICING FORUM

- Early stages of setting up a more effective resident / investor group
- Good existing, active resident group to build on



PROSPECTS

DEMAND

- Strong demand for value for money rental accommodation with Indluplace vacancies doing better than market
 - Honey Park – 333 units let
 - Greenshanks – 22 units let
- Supply constrained

2016	QUARTER 1	QUARTER 2	QUARTER 3
National	6,75%	4,70%	5,07%
< R 3 000	7,74%	4,63%	4,75%
R 3 000 – R 7 000	7,16%	3,63%	4,31%
R 7 000 – R 12 000	4,28%	5,27%	5,55%
R 12 000 – R 25 000	7,07%	14,11%	11,98%

Source TPN Vacancy Survey 3Q 2016

RENTAL ESCALATIONS

- Include average escalation 6%
- Average length of stay - 3 years

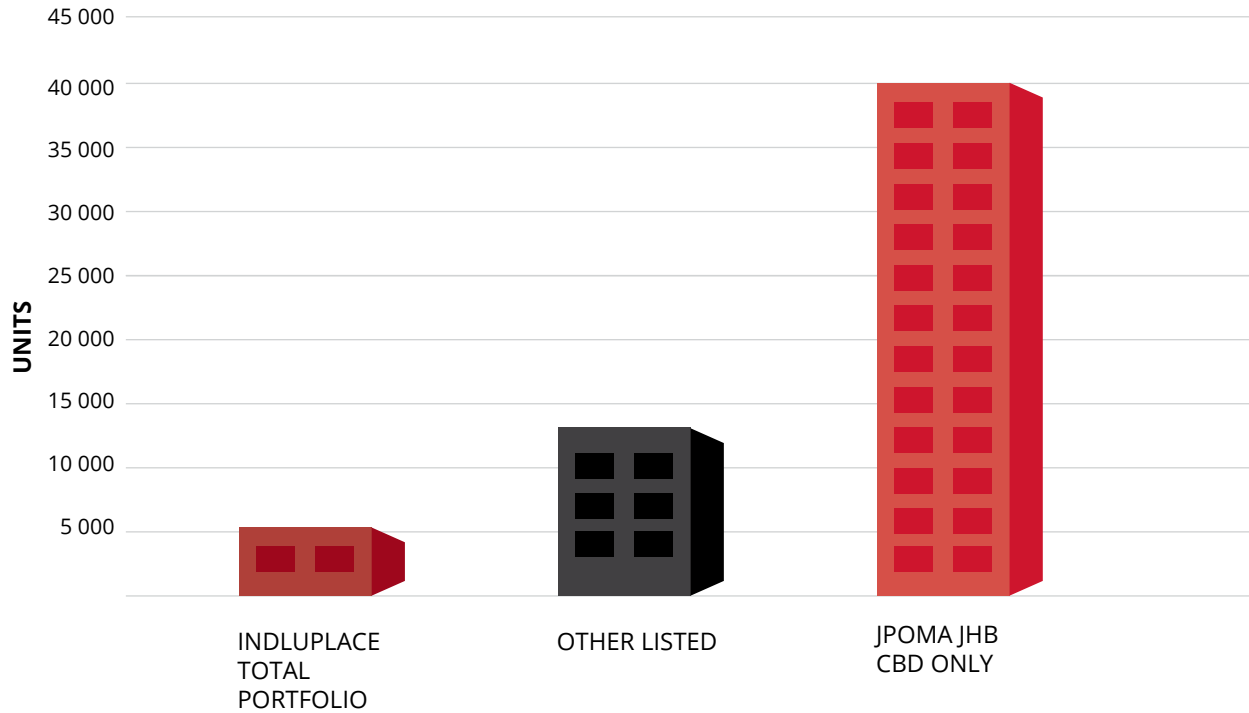
PAYMENT BEHAVIOUR

Indluplace bad debts for the year < 0,5%

GOOD STANDING RENT BY VALUE BANDS	PAID ON TIME	GRACE PERIOD	PAID LATE	PARTIAL PAYMENT	DID NOT PAY	GOOD STANDING	NATIONAL AVERAGE
< R 3 000	61,33%	6,74%	11,68%	10,73%	9,53%	79,75%	85,08%
R 3 000 – R 7 000	68,58%	6,43%	11,43%	9,56%	3,99%	86,44%	85,08%
R 7 000 – R 12 000	73,54%	5,03%	9,99%	7,79%	3,95%	88,56%	85,08%
R 12 000 – R 25 000	67,03%	5,93%	11,80%	9,63%	5,60%	84,76%	85,08%
> R 25 000	52,58%	8,72%	16,81%	13,99%	7,89%	78,11%	85,08%

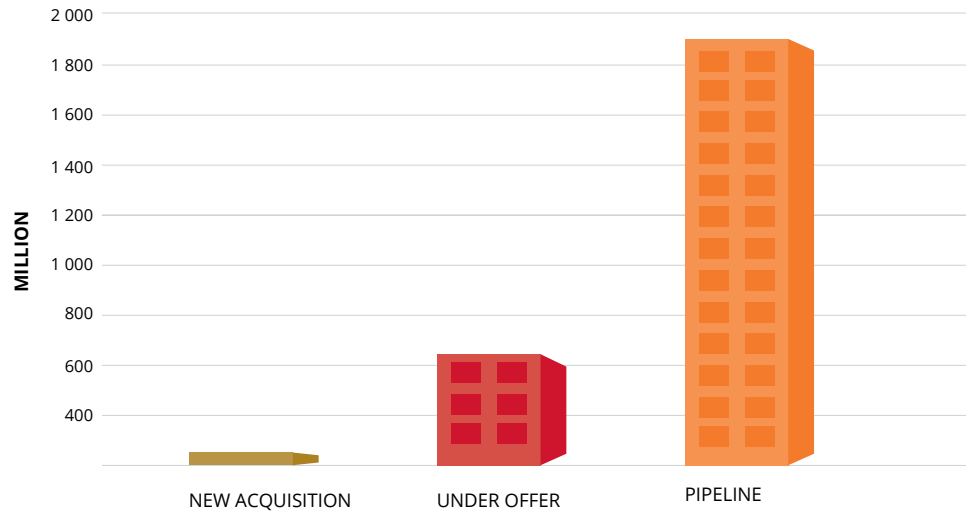
Source TPN Vacancy Survey 2Q 2016

POTENTIAL FOR GROWTH



PIPELINE

- Concluded – Randburg acquisition R25m
- Under negotiation / offer R680m
- Potentials R1,9b

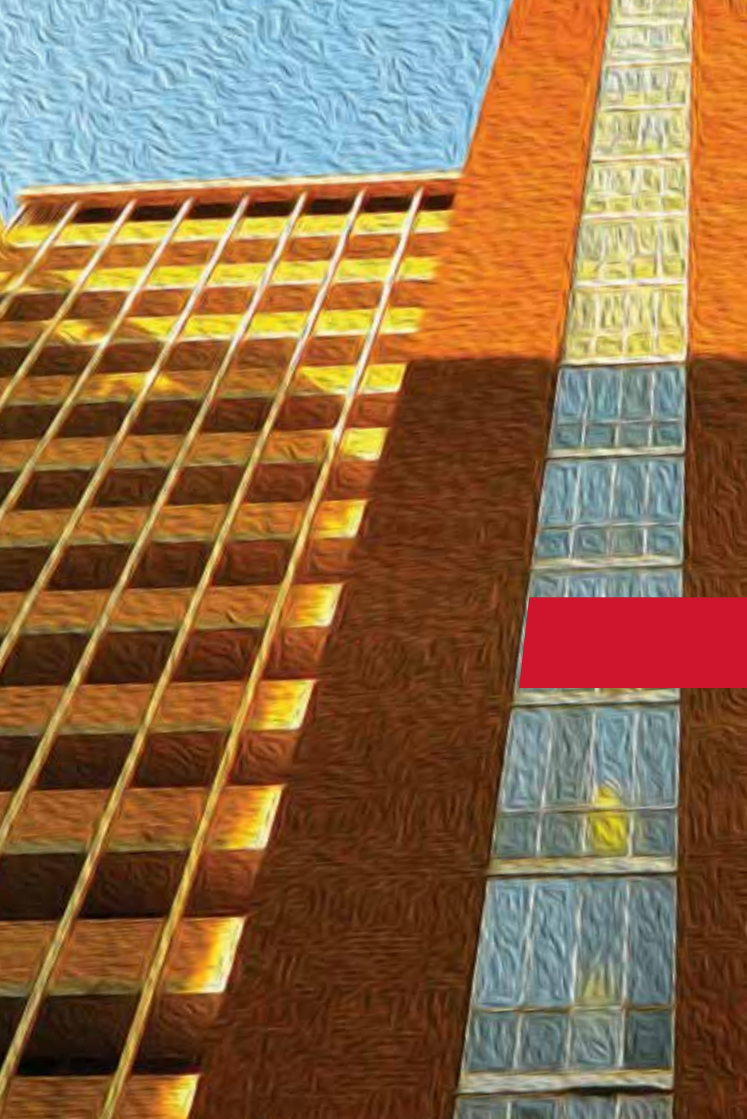


CONCLUSION – WHY INDLUPLACE?

- Defensive, low risk investment
- Diverse portfolio
- Experienced, specialists management
- Short term individual leases
- Strong pipeline
- Access to substantial opportunities
- Dividend paid quarterly

CONCLUSION – WHY INDLUPLACE?

- Low gearing
- Expected dividend growth 5,5% – 6,5% from current portfolio (excluding any acquisitions)
- Forward yield – 10,75%
- Trading at 10% discount to NAV



THANK YOU

