



INDLUPLACE

DWELLING ON RESIDENTIAL

(Incorporated in the Republic of South Africa)

(Registration number 2013/226082/06)

(Approved as a REIT by the JSE)

JSE share code: "ILU" ISIN: ZAE000201125

INDLUPLACE TO ACQUIRE DILUCULO PROPERTIES

- Acquisition to grow Indluplace portfolio by 24% to 6 830 units
- R475 million acquisition
- Yield enhancing acquisition

16 March 2017. Indluplace Properties Limited, the first residential focused REIT listed on the JSE, today announced that it has concluded an agreement with Diluculo Investments Pty Ltd to acquire Diluculo Properties Pty Ltd which owns a property portfolio of 1 319 residential units for R475 million. The transaction is subject to Competition Commission approval.

The portfolio comprises eight properties, mainly spread across Gauteng with one property located in Bloemfontein. Approximately 55% of the units are situated in townhouse complexes with the remainder in suburban blocks. 40% of the units are located in the Johannesburg and Pretoria CBDs. The majority of the portfolio to be acquired comprises two bedroom apartments, 34% are one bedroom units and 10% bachelor units making up the rest.

"We are pleased to announce the acquisition of Diluculo Properties. The portfolio fits well with the diverse nature of our current portfolio, being diverse in location, building type and unit type. It will bring the new total of our residential units to 6 830, emphasising the potential to grow the fund aggressively over time," said CEO, Carel de Wit.

The average rental across the residential units is around R4 000 per unit per month. The portfolio has very well controlled vacancies of under 3%.

Indluplace's strategy of outsourcing property management, with standardised property management systems, allows for the merging of such portfolios into its current operations. CSI Rentals and Zelri Properties manage between them approximately 66% of the portfolio and are already entrenched in Indluplace where they manage a considerable portion of the current Indluplace portfolio, making the transition seamless with minimal impact on operations and tenants.

"Considering our low loan to value ratio of 8%, we are in discussions with various banks to fund this transaction. The acquisition is yield enhancing to Indluplace and we continue to remain upbeat about Indluplace's prospects within the residential market," said Terry Kaplan, FD of Indluplace.

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NOTE TO EDITORS:

Indluplace Properties Limited

Indluplace Properties is the first JSE listed REIT focused on residential property. Since the listing it has increased the value of its properties to R2,4 billion and currently owns 117 residential properties consisting of 5 511 residential units and about 12 600m² retail space, spread mainly across Gauteng. Subsequent to the Diluculo transaction the portfolio will consist of 125 residential properties, 6 830 residential units and about 14 800m² retail space.

Indluplace's main focus is to aggressively grow a diverse portfolio by acquiring yield enhancing properties and portfolios that provide income from date of acquisition. This will be achieved by investing in rental housing, where a proven demand exists, generally in larger urban centres close to work opportunities and transport infrastructure.

Indluplace offers an exit for developers or owners of residential stock or portfolios, and utilises specialist outsourced property managers for the appropriate portfolios.

Leadership and Management Team

Indluplace is led by an experienced management team, with strong credentials, who have extensive experience in the sector. Executive directors include Chief Executive Officer Carel de Wit and Financial Director Terry Kaplan.

Executive Directors

- Carel de Wit Chief Executive Officer
- Terry Kaplan Financial Director
- Mark Kaplan CEO of Arrowhead Properties
- Imraan Suleman CFO of Arrowhead Properties

Non-executive Directors

- Taffy Adler Non-executive director
- Selwyn Noik Non-executive director

Independent Non-Executive Directors

- Gregory Kinross Lead independent non-executive director
- Clifford Lawrence Abrams Independent non-executive director
- Ayesha Rehman Independent non-executive director