



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 continues to attract quality tenants

Company expects similar performance in 2021

Wednesday, 18 November 2020. IndluPlace Properties, the specialists in affordable residential letting, ended its financial year to 30 September 2020 with a solid balance sheet and steady cash generation, as demand for its properties remained high, despite the human and economic impact of the Covid-19 pandemic.

IndluPlace offers investors a relatively simple business, which is easy to understand. The company remains South African focused, and while it earns the bulk of its revenue from Gauteng, it also operates properties in three other key provinces: Free State, Mpumalanga and KwaZulu-Natal. The fund owns 9 668 residential units with just over 18 000m² of associated retail space.

A dividend of 44.02 cents a share was declared for the year to September, after the introduction of a 75% pay-out ratio. Contractual rental fell to R527.3 million compared to R546.5 million in the previous year, as residential vacancies rose to 11.3% at the end of September. Assistance to tenants affected by lockdown took the form of deferrals of rental payments during the lockdown, and while this was relatively small, most of this has been recovered.

At the end of the reporting period, the group's secured financial liabilities were marginally lower at R1.44 billion from R1.48 billion and it held available cash of R150 million resulting in a relatively conservative Loan to Value ('LTV') ratio of 35%. The property portfolio was realistically valued at R3.8 billion (2019: R4.2 billion), reflecting a policy of independently valuing one-third of the portfolio each year. The loan facilities have recently been renewed to spread its maturity profile, so the first renewal will occur at the end of 2023.

Carel de Wit, CEO of IndluPlace, said although tenant turnover increased to 5% from 3% last year, as tenants under financial pressure moved out, the group was encouraged by the very good letting performance of the past few months at current rentals. ***"This shows that our rental offering represents good value for money and that we will be able to hold our own in attracting quality tenants, despite a very competitive market."***

He said Indluplace took the opportunity to fine-tune its operations during the Covid-19 lockdown period, which has resulted in greater efficiencies, more hands-on management, improvements to systems and a focus on service delivery and communication with customers. Management intends to accelerate the capex programme to ensure the units continue to offer value and will dispose of properties that no longer fit the strategy, a process that started in 2019. It is in the process of disposing of 22 properties for about R80 million.

“Our focus on the residential market, which we find more defensive than other segments in the property sector, stood us in good stead during this period,” de Wit said. ***“Residential rentals are not immune to the current economic stresses, but the diversity in our portfolio and a hands-on management team have demonstrated their resilience. I am really proud of our team’s continued commitment and hard work.”***

De Wit said it would take years for the South African economy to recover from the effects of the Covid-19 pandemic. Major rental reversions are unlikely, but he warned it will be difficult to achieve growth in rentals in the short term.

“We will increase our focus on value for money offering and service to tenants in the year ahead and expect that our performance for 2021 will be at a similar level to that of 2020,” he concluded.

END

Enquiries:

Indluplace +27 10 1000 076
Carel de Wit
Terry Kaplan

Investor Relations
Lizelle du Toit +27 82 465 1244

Website: www.indluplaceproperties.co.za

NOTE TO EDITORS:

Indluplace Properties Limited

Indluplace Properties was the first REIT listed on the main board of the JSE to focus exclusively on rental residential property. Since its listing it has increased the value of its properties to R3.8 billion and currently owns 148 residential properties consisting of 9 668 residential units and about 18 870m² retail space, spread mainly across Gauteng.

Indluplace is growing a diverse portfolio by focusing on acquiring properties and portfolios that provide income from date of acquisition. This will be achieved by investing in rental housing at the more affordable end of the market, 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 has extensive experience in the sector. Executive directors include Chief Executive Officer Carel de Wit, Financial Director Terry Kaplan and Grant Harris, Chief Operational Officer.

Executive Directors

- Carel de Wit Chief Executive Officer
- Terry Kaplan Financial Director
- Grant Harris Chief Operational Officer

Non-executive Directors

- Taffy Adler Non-executive director (Chairman)
- Selwyn Noik Non-executive director

Independent Non-Executive Directors

- Clifford Abrams Independent non-executive director
- Ayesha Rehman Independent non-executive director
- Nindiphiwe Tetyana Independent non-executive director