

# GROWTHPOINT RETAIL PORTFOLIO ANALYSIS OF KEY PERFORMANCE INDICATORS OCTOBER 2017

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*DIRECTOR - RETAIL*



*space to thrive*

**GROWTHPOINT**  
PROPERTIES



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## Key Operational Performance Indicators

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Weighted Average Future Escalations On Renewals & Average Renewal Lease Period

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Arrears

## Portfolio Capex Programme

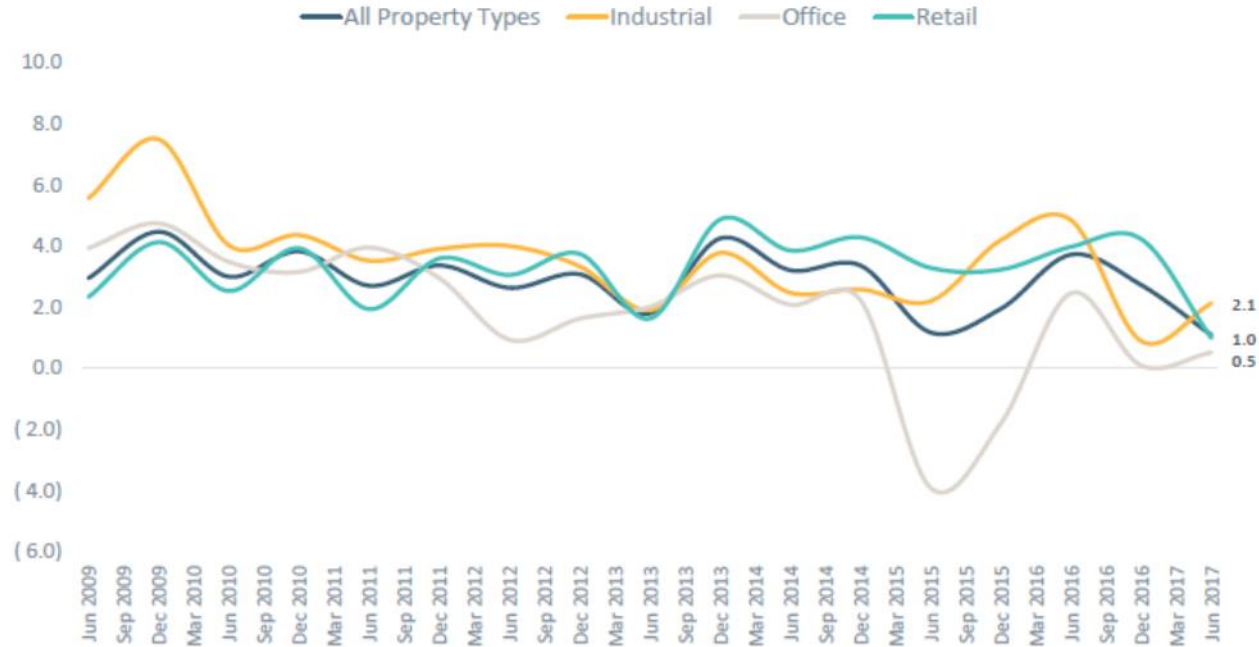
## Portfolio Trading Performance

## Sector overview



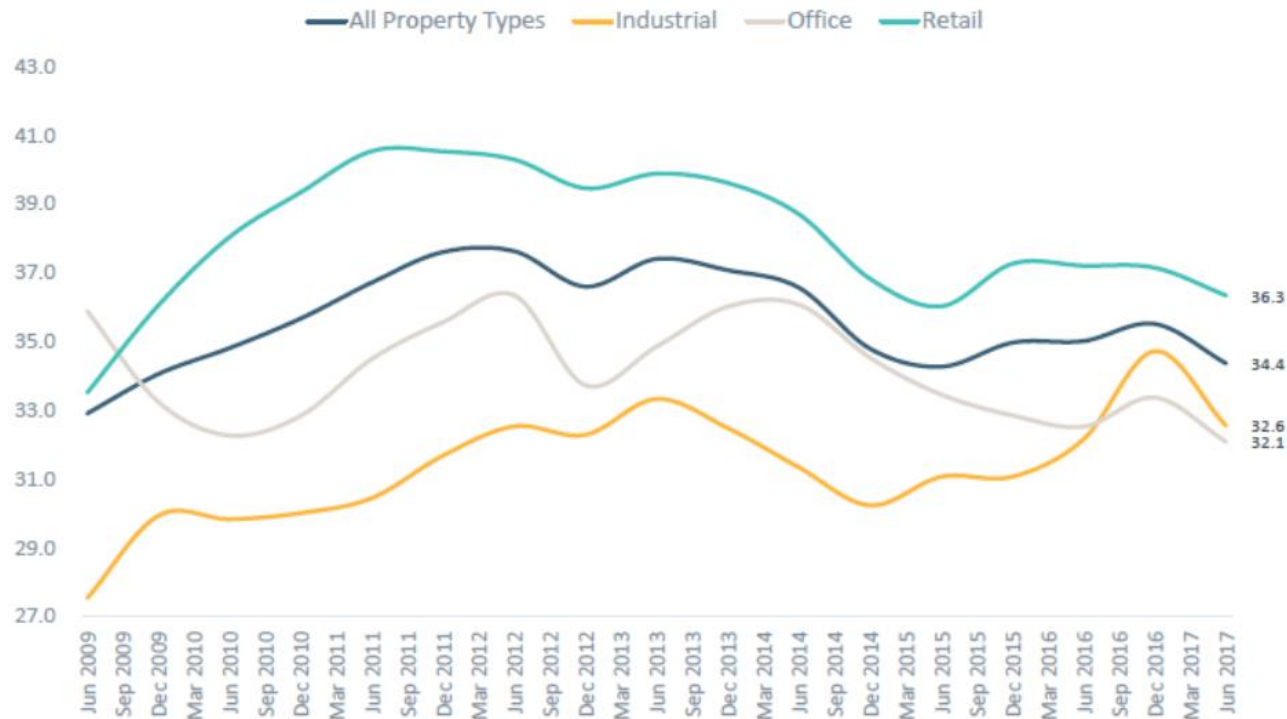
# BASE RENTAL GROWTH

ALL SECTORS SLOWING – BUT STILL POSITIVE

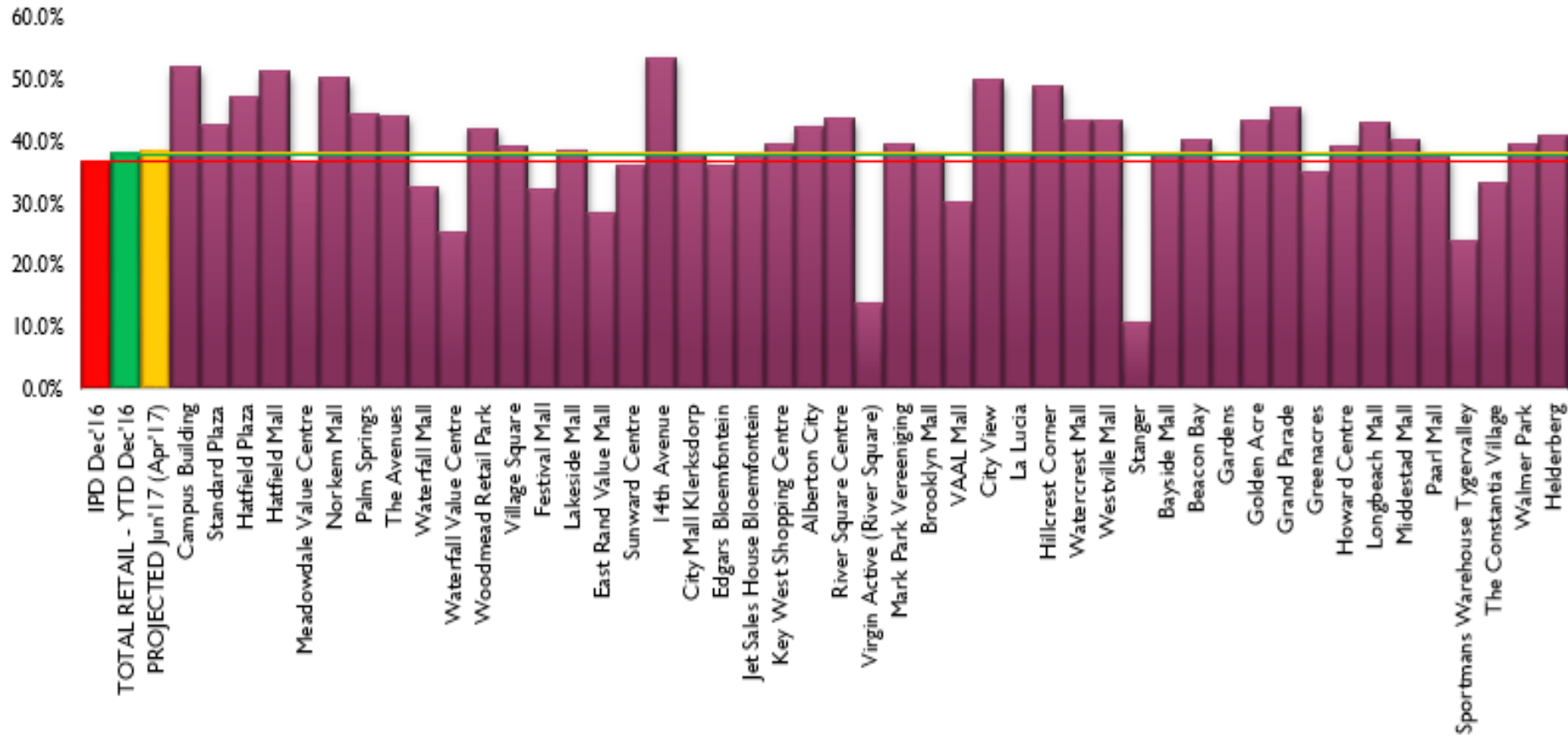


# OPERATING COST AS A % OF GROSS INCOME

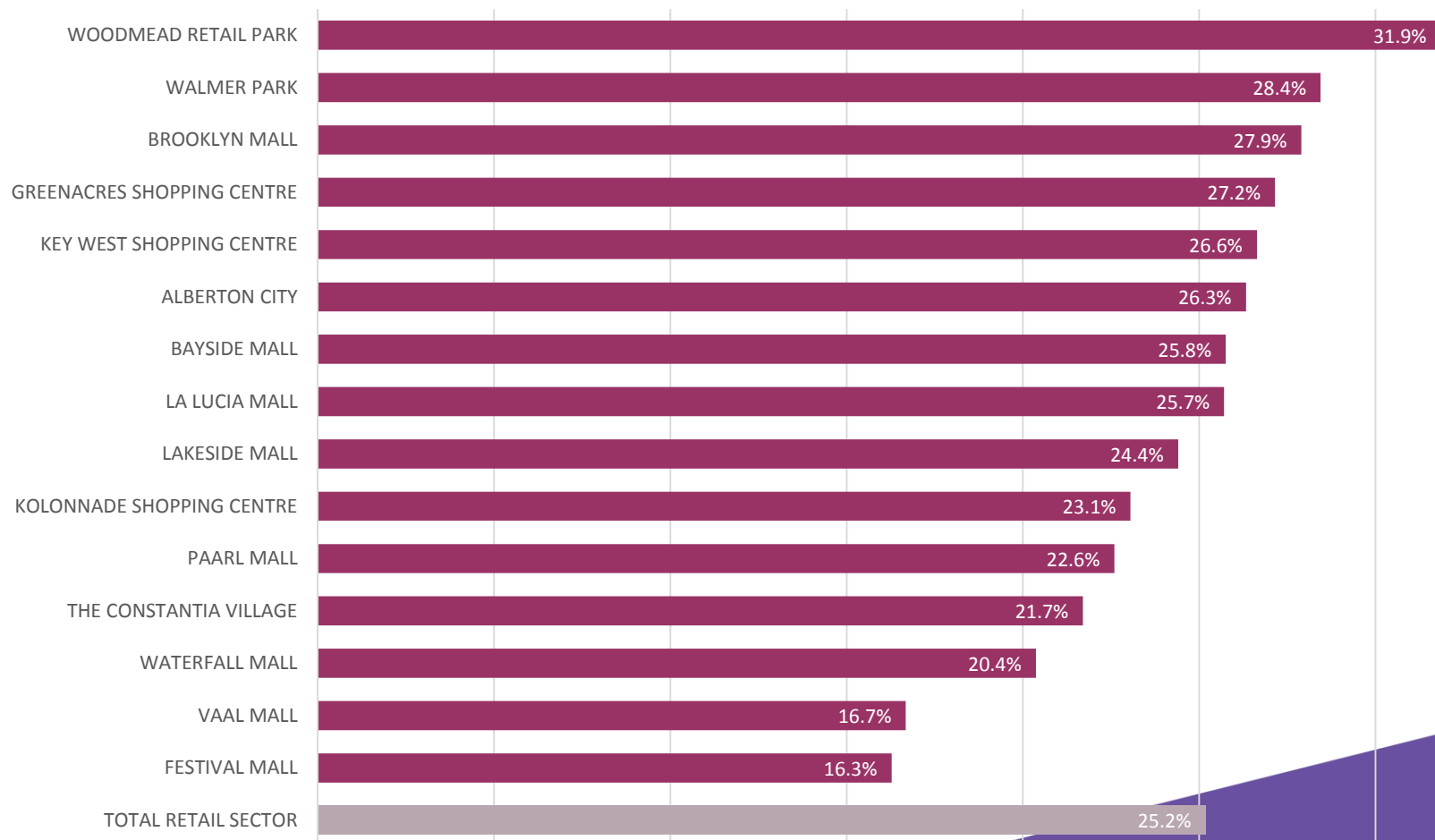
DOWN ACROSS ALL SECTORS AS FOCUS ON COSTS INTENSIFIES



## Cost to Income Ratio



## NET EXPENSE TO INCOME RATIO FOR OUR TOP 15 CENTRES - FY 2016/17



# GRT VS IPD TOTAL INCOME & EXPENSES, NET INCOME AND COST TO INCOME RATIO AS AT DECEMBER 2016

	Grt	IPD	Variance R	Variance %
<b>TOTAL INCOME</b>	<b>218.6</b>	<b>235.3</b>	<b>-16.7</b>	<b>-7.1%</b>
Basic Rental	159.8	162.3	-2.5	-1.6%
Rates Recoveries	13.9	11.9	2.0	16.5%
Electricity rec	33.2	31.0	2.2	7.0%
Other Municipal rec	3.2	4.6	-1.4	-31.5%
Other rec	8.7	25.5	-16.8	-66.0%

Cost to Income Ratio as per IPD Breakdown

	Grt	IPD	Variance R	Variance %
<b>NET INCOME</b>	<b>134.77</b>	<b>148.6</b>	<b>-13.8</b>	<b>-9.3%</b>

<b>COST TO INCOME RATIO</b>	<b>38.4%</b>	<b>36.8%</b>		
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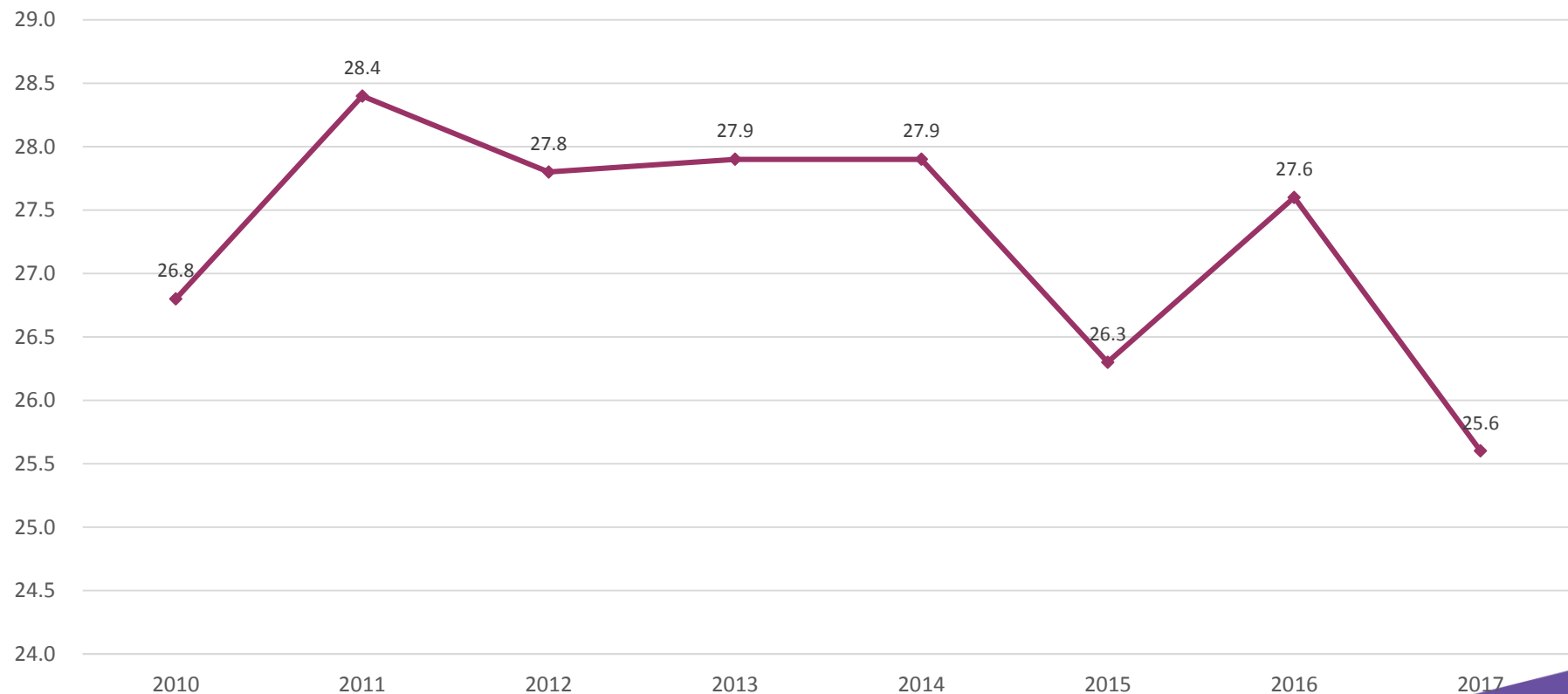
Cost to Income Ratio as per with Elec and Munic Recoveries set off against expenses

	Grt	IPD	Variance R	Variance %
<b>NET INCOME</b>	<b>134.77</b>	<b>148.6</b>	<b>-13.8</b>	<b>-9.3%</b>

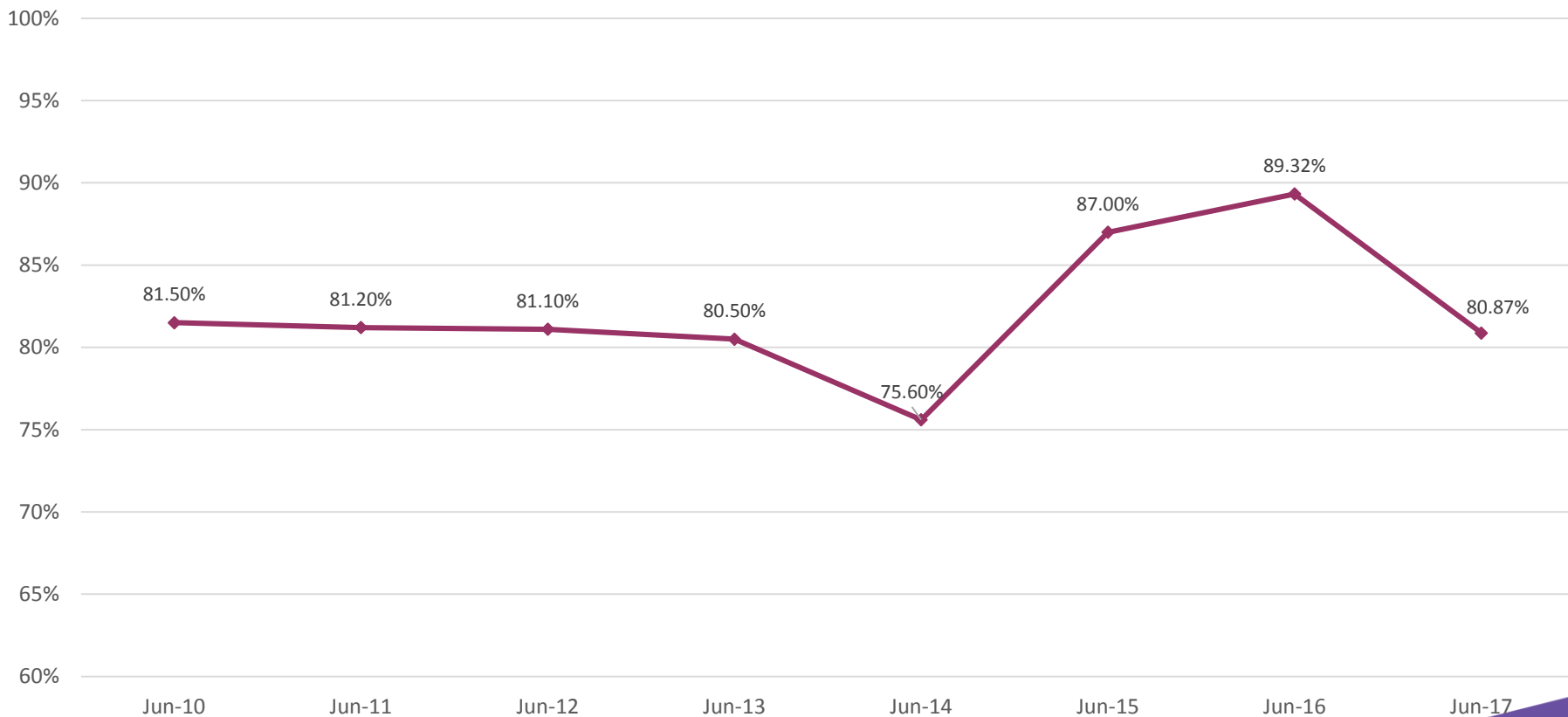
<b>COST TO INCOME RATIO</b>	<b>26.1%</b>	<b>25.6%</b>		
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	Grt	IPD	Variance R	Variance %
<b>TOTAL EXPENSES</b>	<b>83.9</b>	<b>86.7</b>	<b>-2.8</b>	<b>-3.3%</b>
Bldg. Management	3.5	3.7	-0.2	-4.4%
Cleaning	4.3	4.5	-0.2	-4.9%
Security	6.1	5.5	0.6	11.1%
Gardens	0.4	0.4	0.0	-2.3%
R & M - Aircons	0.9	1.2	-0.3	-21.8%
R & M - Lifts/Escalators	0.5	0.4	0.1	13.5%
Service & Bldg Maint	1.8	3.5	-1.7	-49.3%
Rates	18.1	19.3	-1.2	-6.3%
Electricity	31.7	29.2	2.5	8.6%
Other Municipals	4.0	5.7	-1.7	-30.5%
TI's	0.6	0.6	0.0	-1.7%
Letting Costs	0.1	1.3	-1.2	-91.3%
Management costs	5.5	4.4	1.1	25.5%
Insurance	1.1	0.9	0.2	19.3%
Bad Debts	0.3	0.5	-0.2	-35.2%
Other Ops	5.0	5.6	-0.6	-10.9%

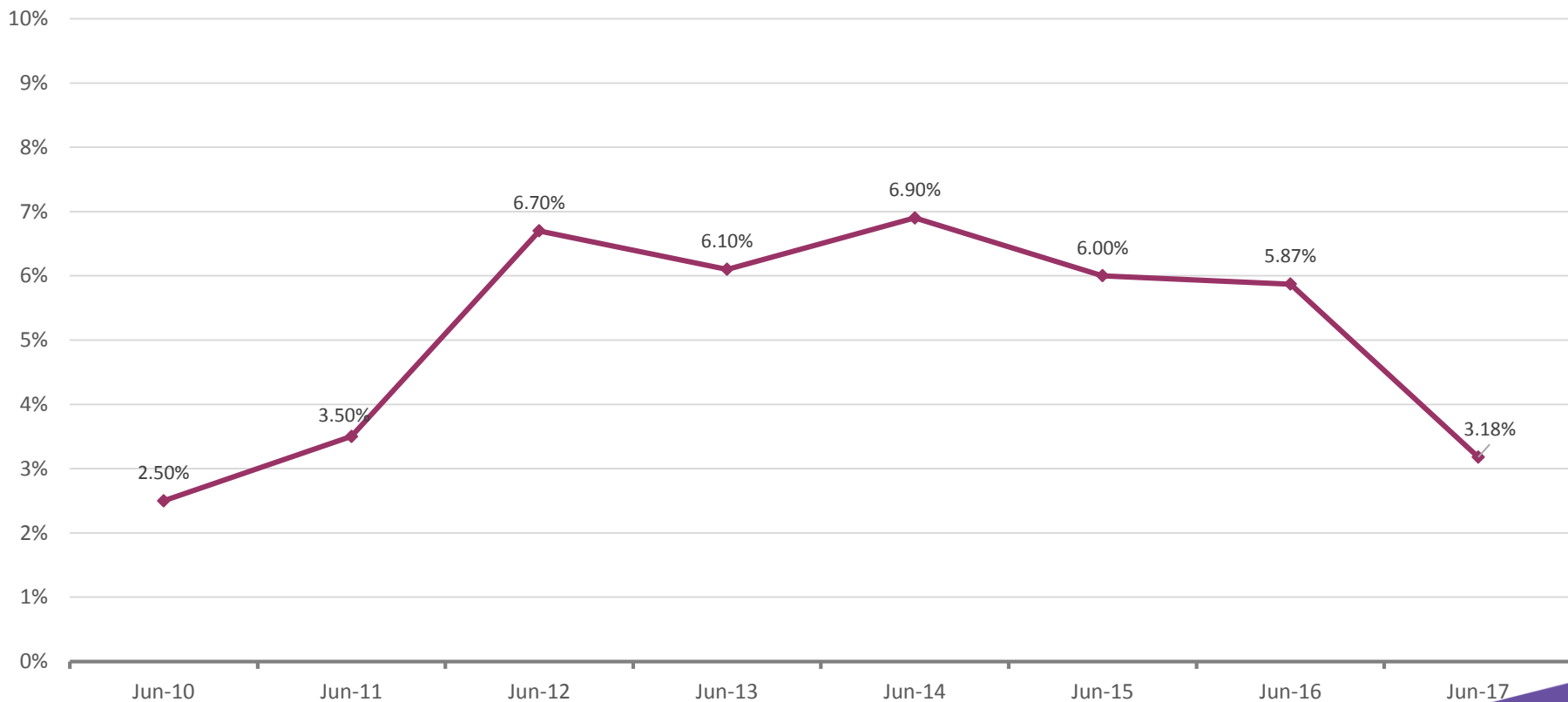
## EXPENSE TO INCOME RATIO - POST GMS ALLOCATION



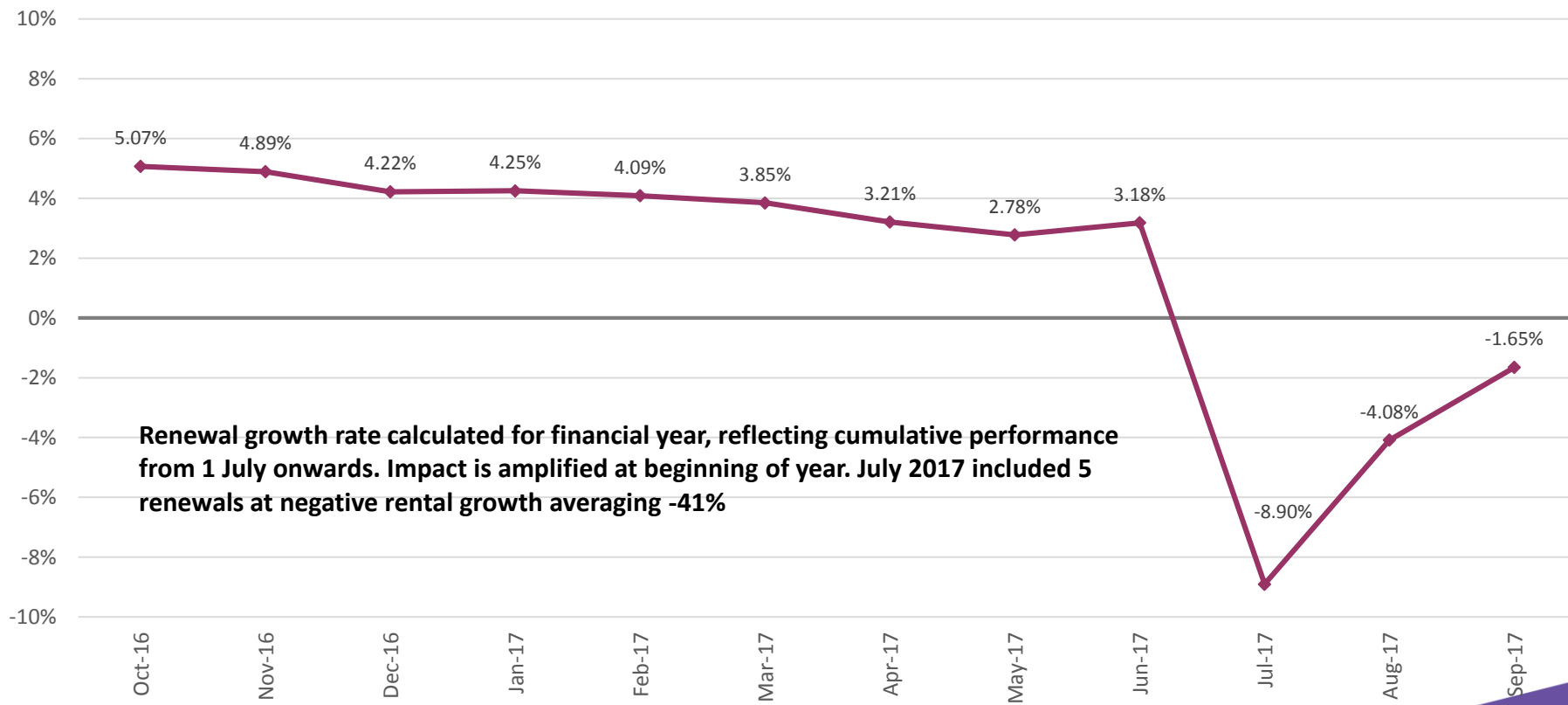
# RENEWAL SUCCESS RATE



## WEIGHTED AVERAGE RENEWAL GROWTH RATE - HISTORY



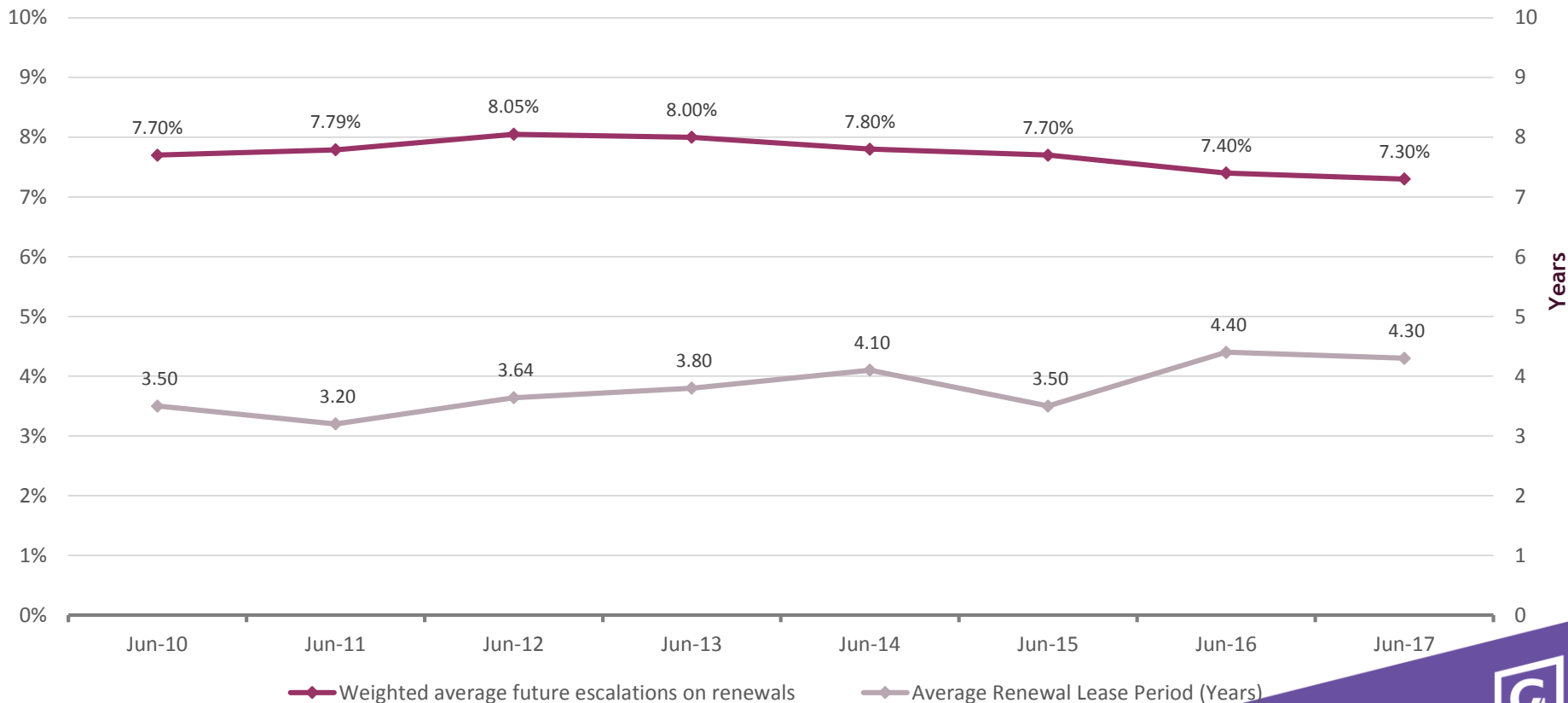
## CUMULATIVE WEIGHTED AVERAGE RENEWAL GROWTH RATE -12 MONTHS



## WEIGHTED AVERAGE RENEWAL GROWTH RATE - 3 MONTHS ENDING SEP'17

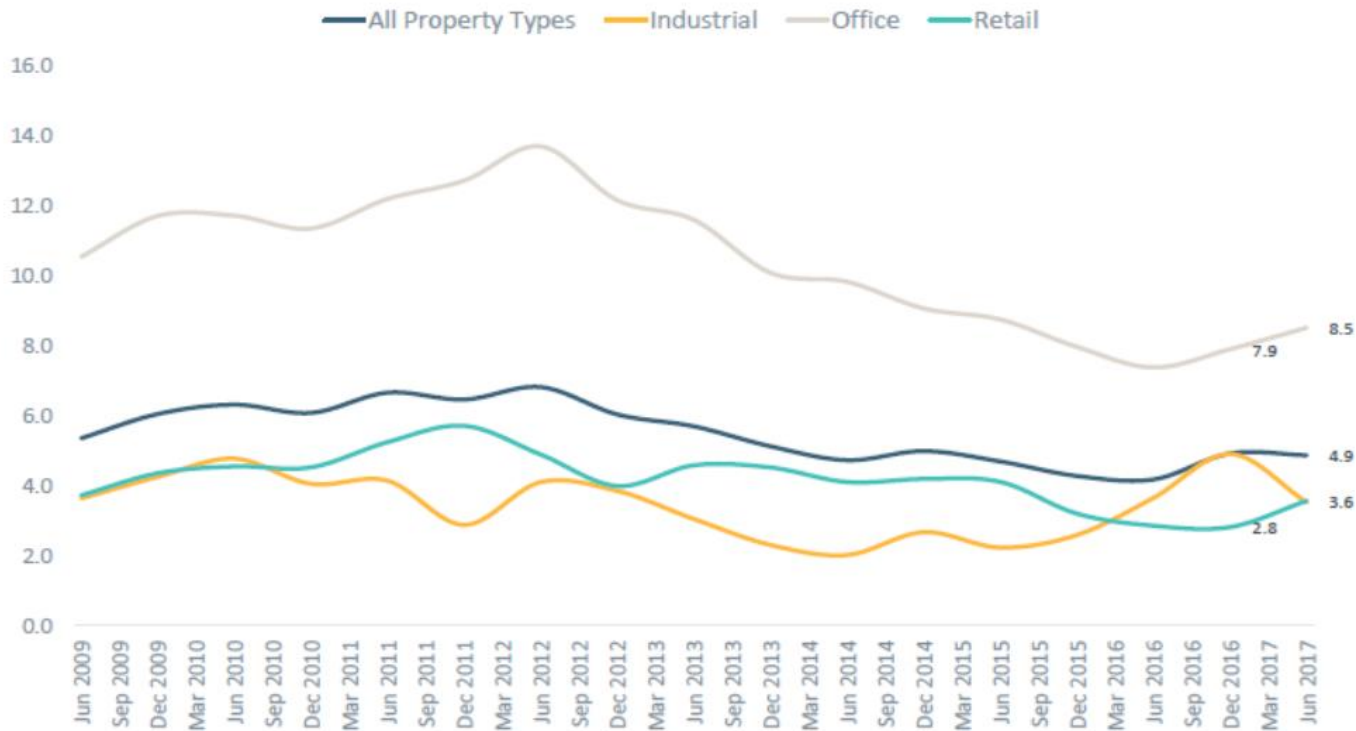
	Weighted Average Renewal Growth (excl Rates)
BROOKLYN MALL & DESIGN SQUARE	0.27%
FESTIVAL MALL	0.26%
WALMER PARK SHOPPING CENTRE	0.46%
WATERFALL MALL	0.15%
LAKESIDE MALL	0.10%
VAAL MALL - 100%	0.14%
LA LUCIA MALL	-0.24%
<b>BAYSIDE MALL</b>	<b>-2.67%</b>
THE CONSTANTIA VILLAGE	0.41%
ALBERTON CITY	-0.19%
PAARL MALL	0.03%
GOLDEN ACRE	0.24%
GARDENS SHOPPING CENTRE	0.07%
RIVER SQUARE	0.10%
LONGBEACH MALL	-0.01%
WEIGHTED AVERAGE RENEWAL GROWTH RATE FOR THE TOP 15 CENTRES BY VALUE	<b>-0.87%</b>
BALANCE OF THE SECTOR	-0.78%
TOTAL FOR THE RETAIL SECTOR	-1.65%

## WEIGHTED AVERAGE FUTURE ESCALATIONS ON RENEWALS & AVERAGE RENEWAL LEASE PERIOD (YEARS)

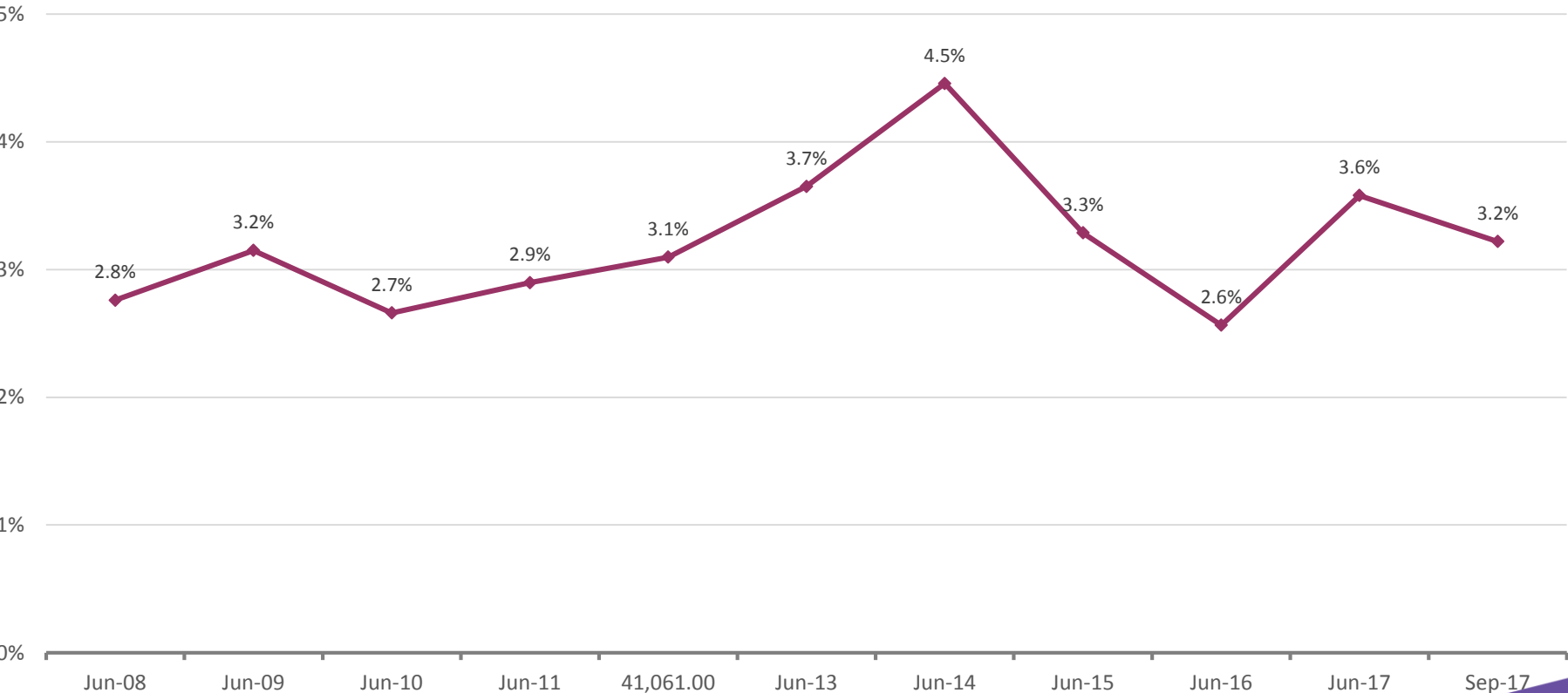


# VACANCY RATES – TICKING UP IN RETAIL AND OFFICES

INDUSTRIAL MOST IMPROVED OVER LAST SIX MONTHS



# VACANCY FACTOR - HISTORY



## CORE VACANCY AS AT 30 SEPTEMBER 2017

	GLA m <sup>2</sup>	Vacancy m <sup>2</sup>	%
TOP 10 VACANCIES BY GLA	547,842	12,440	2.3%
BALANCE OF THE SECTOR	839,553	32,227	3.8%
CURRENT VACANCY	1,387,394	44,668	3.2%
OFFICE AND STOREROOMS	(9,989)	(9,989)	
CURRENTLY UNLETTABLE	(6,534)	(6,534)	
CORE VACANCY PRE FUTURE LETTING	1,370,871	28,145	2.1%
FUTURE LETTING *	(10,010)	(10,010)	
CORE VACANCY POST FUTURE LETTING	1,360,861	18,135	1.3%

\* THE AVENUES – CHECK OUT SUPERMARKET

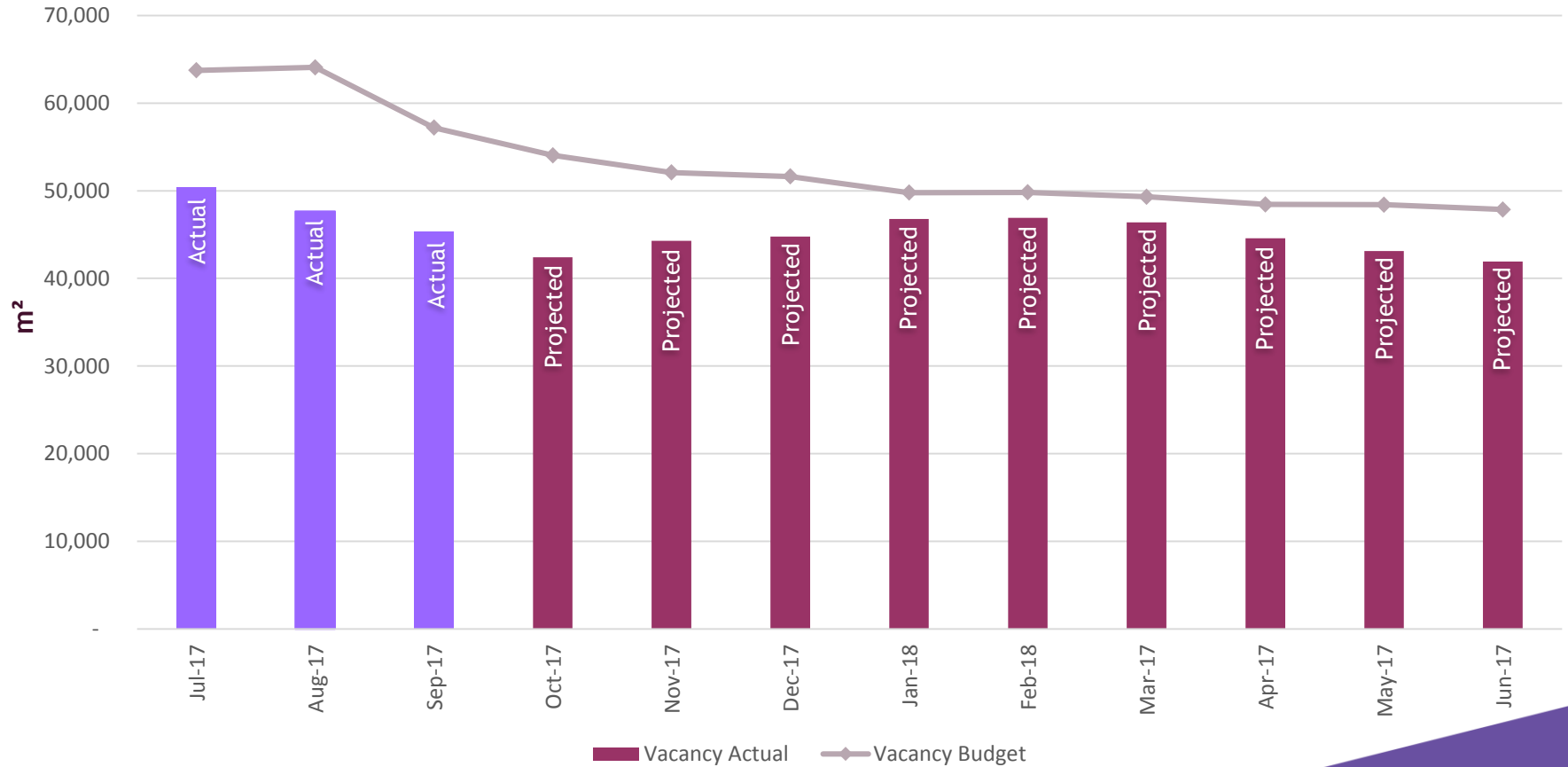
4,729m<sup>2</sup>

\* CITY MALL KLERKSDORP – CAMBRIDGE FOODS

2,844m<sup>2</sup>



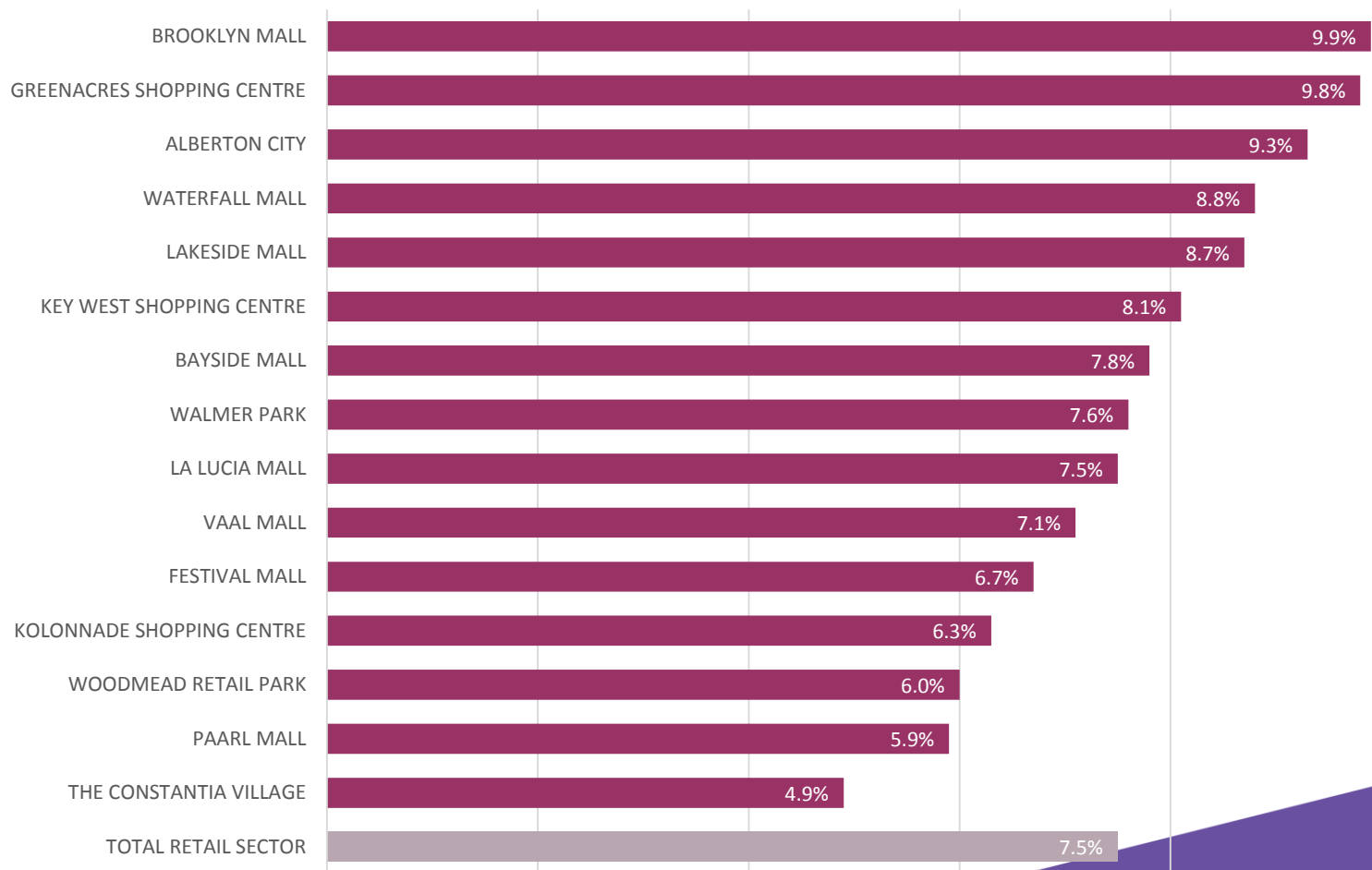
# PROJECTED VACANCY



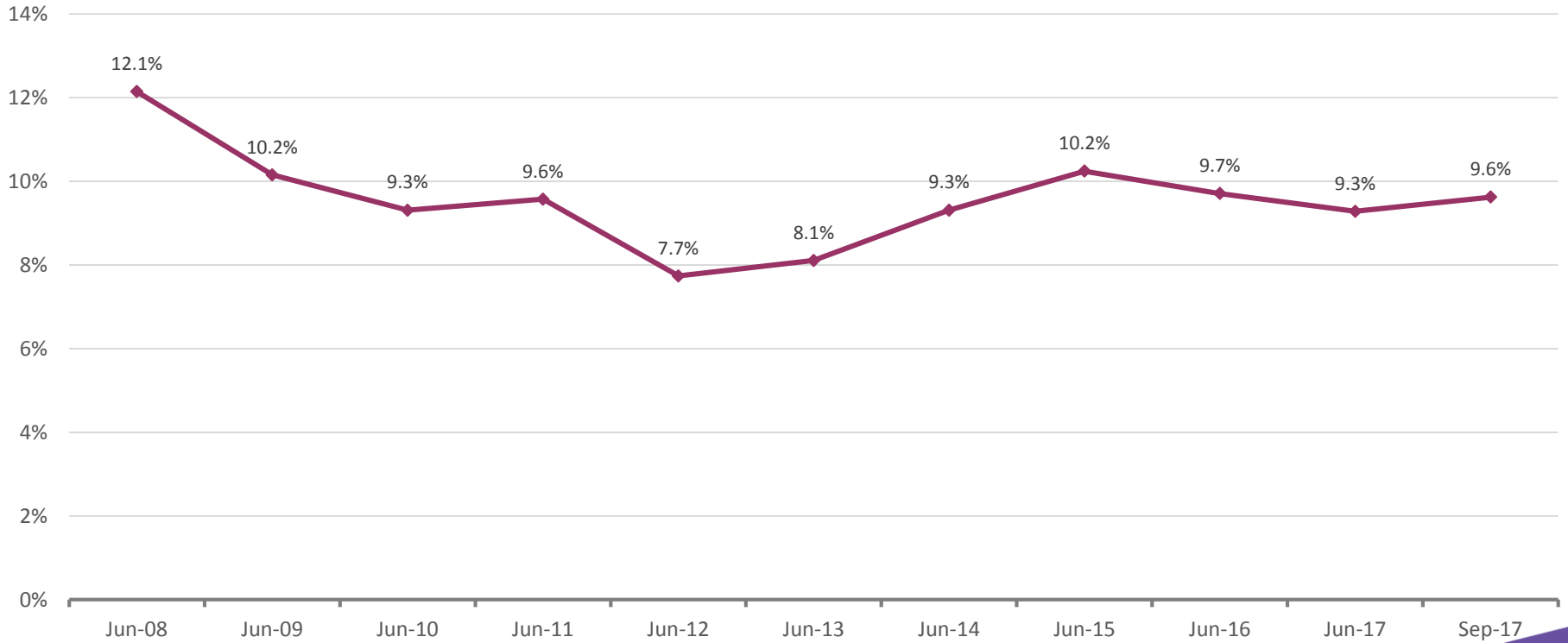
## TOP 10 RETAIL TENANTS BY GROSS RENTAL AS AT 30 JUNE 2017

RETAILER	GROSS RENT (R)	% OF GRT RETAIL SECTOR GROSS RENT	RENT TO TURNOVER RATIO
EDCON HOLDINGS (PTY) LTD	18,759,078	7.6%	12.9%
THE FOSCHINI GROUP LTD	16,098,174	6.5%	11.6%
SHOPRITE HOLDINGS LTD	12,605,450	5.1%	3.9%
PEPKOR HOLDINGS LTD	11,886,037	4.8%	8.7%
PICK 'N PAY STORES LTD	11,697,548	4.8%	3.2%
MR PRICE GROUP LTD	11,562,171	4.7%	8.6%
TRUWORTHS INTERNATIONAL LTD	7,703,263	3.1%	8.9%
MASSMART HOLDINGS LTD	7,014,441	2.9%	5.6%
WOOLWORTHS HOLDINGS LTD	6,717,799	2.7%	2.4%
CLICKS GROUP LTD	5,692,809	2.3%	5.3%
SUB-TOTAL	109,736,770	44.6%	
BALANCE OF THE SECTOR	136,206,687	55.4%	
FOR THE RETAIL SECTOR	245,943,457	100.0%	

# COST OF OCCUPANCY FOR OUR TOP 15 CENTRES

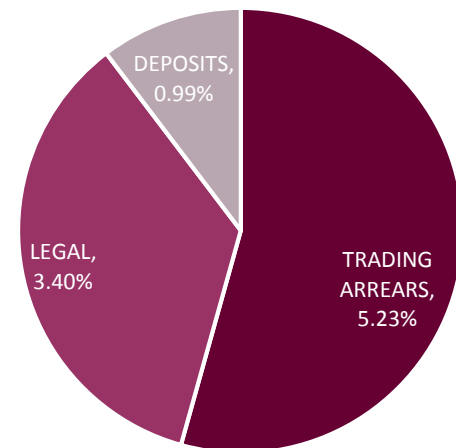


## ARREARS AS A % OF TOTAL COLLECTABLES - HISTORY

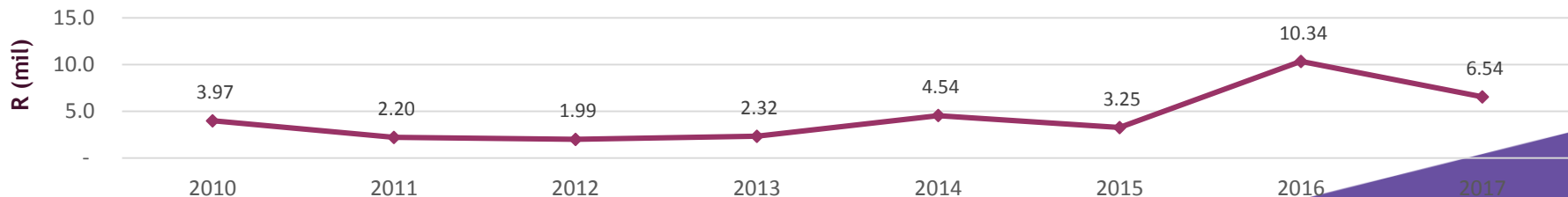


## ARREARS SNAPSHOT AS AT 30 SEPTEMBER 2017

	R (mil)	% of Total Collectables
<b>TOTAL COLLECTABLES</b>	<b>377.43</b>	
TRADING ARREARS	19.73	5.23%
LEGAL ( <i>COVERED BY PROVISION OF R11.15 mil</i> )	12.83	3.40%
DEPOSITS	3.75	0.99%
<b>TOTAL ARREARS AS AT 30 SEP'17</b>	<b>36.31</b>	<b>9.62%</b>
<i>NATIONAL RETAILERS</i>	<i>13.82</i>	<i>3.66%</i>
<i>OTHER</i>	<i>22.49</i>	<i>5.96%</i>



Net of Bad Debt Written Off and Recovered

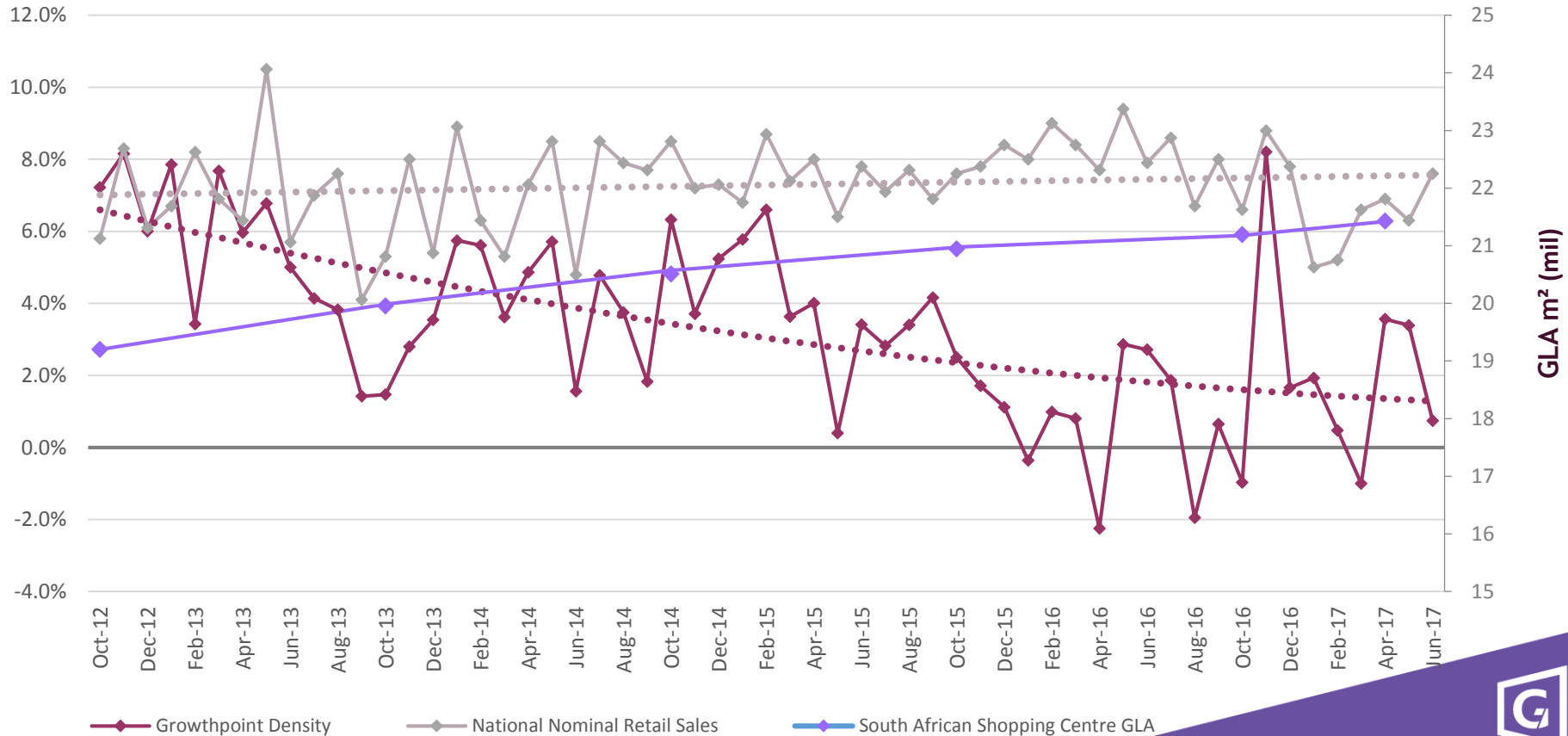


## GROWTHPOINT SHOPPING CENTRES - DIRECT COMPETITION PAST 24 MONTH PERIOD

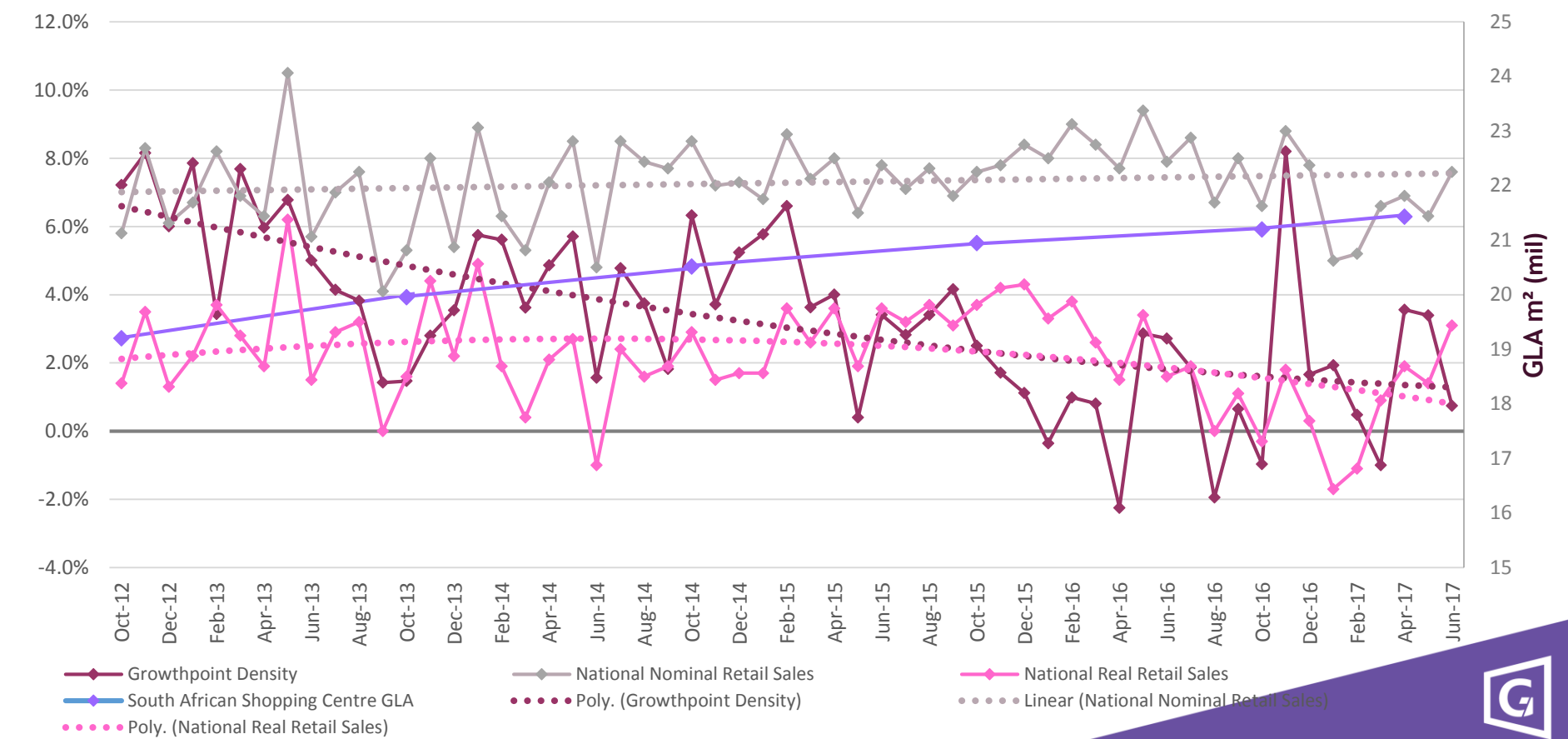
GROWTHPOINT CENTRE	COMPETING CENTRE
The Avenues	Springs Mall (Mar 2017)
Bayside Mall	Table Bay Mall (Sep 2017)
Woodmead Retail Park	Mall of Africa (Apr 2016) & Kyalami Corner (Apr 2017)
River Square Centre	Vaal Mall Shopping Centre
Longbeach Mall	Sun Valley Mall (Nov 2015)
Brooklyn Mall	Menlyn extension, The Club & Menlyn on Maine



# NATIONAL NOMINAL RETAIL SALES GROWTH VS GROWTHPOINT DENSITY GROWTH VS SOUTH AFRICAN SHOPPING CENTRE GLA



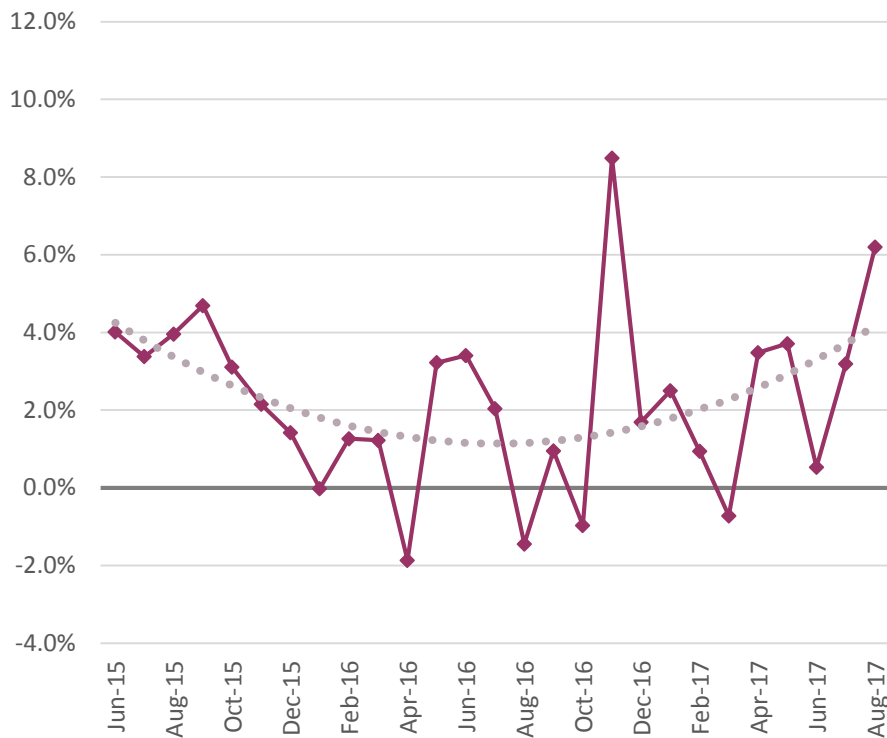
# NATIONAL NOMINAL RETAIL SALES GROWTH VS GROWTHPOINT DENSITY GROWTH VS SOUTH AFRICAN SHOPPING CENTRE GLA VS NATIONAL REAL RETAIL SALES GROWTH



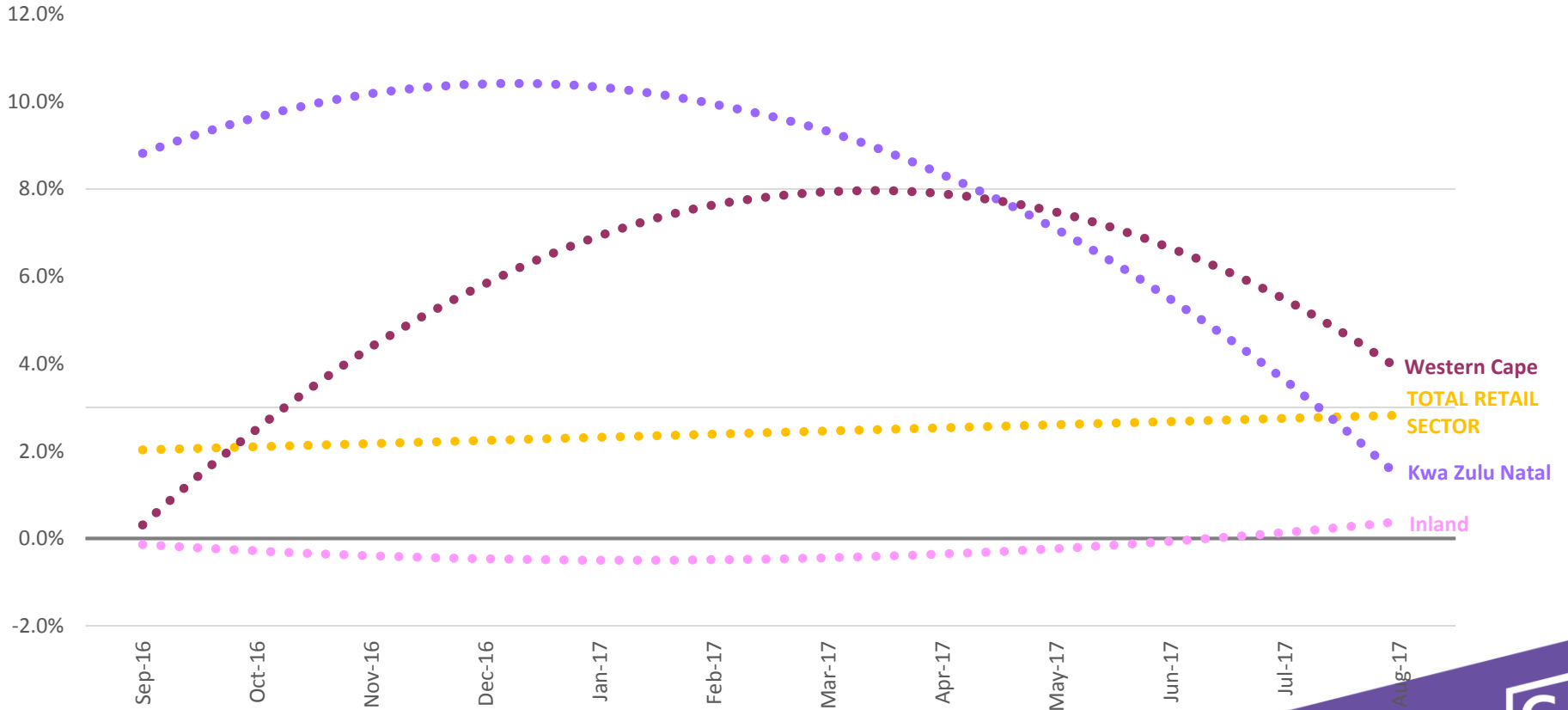
# GROWTHPOINT DENSITY GROWTH



Growthpoint Density Growth – Excluding Vaal Mall



# GROWTHPOINT DENSITY GROWTH PER GEOGRAPHICAL AREA



## CAPEX: CENTRES REFURBISHED IN THE LAST 7 YEARS

CENTRE	
Greenacres Shopping Centre	Gardens Shopping Centre
Waterfall Mall	Greenacres Shopping Centre
Kolonnade Shopping Centre	Hillcrest Corner
Alberton City	Westville Mall
Key West Shopping Centre	Bayside Mall
Northgate Shopping Centre	Village Square – Randfontein
River Square Centre	Fourways Crossing
Vaal Mall	Constantia Village
Walmer Park	Beacon Bay
Golden Acre (Minor)	
TO BE COMPLETED BY JUNE 2018	
Lakeside Mall	
Festival Mall	



THANK YOU