

Emira adds two more shopping centres to its US portfolio

Emira Property Fund has made two further equity investments into grocery-anchored dominant shopping centres in the USA, both located in Texas, furthering its US investment strategy through which it has now assembled a portfolio of eight value-focused retail centre assets.

Geoff Jennett, CEO of Emira, says: “Our latest acquisitions strengthen the value and quality of Emira’s equity in its US retail portfolio and take its value to \$61m, or more than R850m.”

Emira’s US retail property exposure is now almost 6% of its total portfolio. This places Emira on track to achieve its goal of 8% of its total assets in the US by June 2019. The JSE-listed REIT co-invests in the US with its in-country partners, the Rainier Group of Companies.



San Antonio Crossing

The seventh shopping centre to be included in its US portfolio is the 150,000sqf San Antonio Crossing in Texas. The centre is 100% let and 88% occupied by national tenants and has a 7.6-year weighted average lease expiry (WALE). It is shadow-anchored by Texas-based grocery chain H-E-B Plus!.

The shopping centre is well located at one of the busiest intersections in the high-growth area of San Antonio, which has a population of 1.5 million people, a diversified economy, and was the fastest growing city in the USA in 2016/17.

San Antonio Crossing was acquired for \$24m at an 8.85% initial capitalisation rate. Emira's equity investment totals \$4.15m at an 11.2% initial yield. The property transferred in February 2019.

Wheatland Towne Crossing

The eighth shopping centre acquired by Emira's US partnership is Wheatland Towne Crossing in Dallas, Texas. The 206,000sqf open-air, value-oriented centre is shadow-anchored by mega-retailer Target. It is 99% occupied and 90% let to national credit tenants. The centre has a WALE of 4.4 years.

Wheatland Towne Crossing is situated at a major highway interchange in Dallas-Fort Worth, which is the fourth largest metropolitan area in the US, and the country's largest inland metro.



The retail centre was acquired for \$32.2m at an 8.67% initial capitalisation rate. Emira's equity portion of the investment is \$6.3m, made at an initial yield of 10.95%. The property transferred at the end of March 2019.

"Both centres further our US investment strategy and are true to Emira's criteria of investing in open-air, value-orientated retail centres with grocery stores as anchors or shadow-anchors," notes Jennett.

He adds, "We will continue to grow our investment in the US together with our American partners on an incremental deal-by-deal basis, targeting assets that we believe are undervalued and have secure income streams and the potential for capital appreciation over time."