



MEDIA RELEASE FROM VUKILE PROPERTY FUND

27 February 2017

Vukile makes powerful positive impacts with electricity and cost savings at its properties

Vukile Property Fund is driving energy savings and introducing more renewables to its power mix with its dedicated energy-efficiency projects.

Focusing on saving, metering and billing electricity, it has had major positive impacts over the past two years. Vukile has saved nearly 3 million kWh of electricity -- more than R3 million in costs.

Vukile has retrofitted 800 light fittings while upgrading its buildings. It has also installed photovoltaic (PV) panels at its properties that have the capacity to generate 1.274MW of solar energy, generating around 2089 MWh annually.

Laurence Rapp, CEO of Vukile Property Fund, explains that energy efficiency has been an emphasis across its retail-focused portfolio, because of multiple benefits it produces. Rapp says: "Vukile plans to do even more to cut electricity consumption in our properties and save resources. We have a dedicated, innovative and skilled team, with the right expertise to achieve our ambitious targets."

By the end of the year, Vukile aims to slash a further R1.3 million from its electricity bills, achieve electricity savings of more than 1.6 million kWh and boost its PV capacity with 1.56 MW. This will increase renewable energy consumption in its property portfolio nearly six fold to 2.3 million kWh.

JSE-listed Vukile is a leading internally managed REIT (Real Estate Investment Trust) with a property asset base of R16 billion. Vukile owns a direct retail-focused portfolio in South Africa and an indirect portfolio of REITs. Its REIT investments include local funds, Fairvest Property Holdings and Gemgrow and the UK-focused Atlantic Leaf Properties.

Ina Lopion, Executive Director – Asset Management, at Vukile, explains: "Electricity is a massive cost for any business. We know times are tough. By becoming more knowledgeable about how power is used in our buildings, and actively working for a better understanding of energy consumption, we can be more energy efficient."

Its energy management initiatives have exponential benefits. "Vukile is also able to help our tenants reduce their utility consumption, which helps them reduce their total cost of occupation. Together, we are also all able to lighten our environmental footprint," says Lopion.



VUKILE
PROPERTY FUND
REAL ESTATE. REAL GROWTH.

The first step on Vukile's energy management journey was knowing how much power was being used. To achieve this, Vukile undertook a massive drive to introduce bulk-check meters and smart meters across its portfolio. This created the benchmark for Vukile to work from.

Lodewyk van der Zee, Senior Manager Energy and Utilities, explains: "We now have much better insight into power consumption patterns at our buildings. Smart metering also empowers tenants to see their daily consumption and identify waste and savings opportunities."

With its proactive metering and monitoring, Vukile can compare the power consumption at its different buildings. It can even compare the consumption of different tenants across different properties. In this way, it can identify issues and find interventions.

Of course, energy savings also means costs savings. However, Lopion notes there is more to producing cost savings than simply cutting energy consumption.

"It is also important to reduce power use at the right times – peak periods. In addition, it helps to lower a building's peak demand threshold, which forms the basis for municipal billing demand charges. Lower peaks mean lower rates are charged," says van der Zee.

Taking its energy management and environmental commitment even further, Vukile has started to introduce renewables to its energy sources.

During the recent redevelopment of Meadowdale Mall in Germiston, Gauteng, its roof was reinforced to hold a new 350kWp rooftop solar farm. Operating since March 2016, it has reduced the centre's electricity bill by more than 5%. It has also decreased demand on South Africa's power grid.

Then, in December 2016, the 924kWp solar installation at East Rand Mall – co-owned by Vukile and Redefine Properties – went live. It is even able to run its backup power supply on solar energy, which also saves diesel used by the mall's backup generators.

"Besides creating a greener footprint for Vukile's retail property assets, solar power is an ideal solution for malls, because the sun shines during peak shopping times," says van der Zee. "It also has an added benefit in sunny South Africa. Solar panels form a barrier between the sun's rays and the building's roof, helping to keep the inside of the building cooler without using any energy at all.

With its brilliant sunshine, it is little wonder that Vukile has also installed a 500 kWp solar farm at one of its Namibian properties.

Vukile's innovative approach to energy management has become the standard for its new properties.



VUKILE
PROPERTY FUND
REAL ESTATE. REAL GROWTH.

Importantly, a major criterion for Vukile’s electricity cost saving projects, excluding renewables, is that they can pay for themselves, with a payback period of 18 months or less.

With Vukile’s energy initiatives everyone benefits. Vukile has introduced a electricity cost saving lease addendum, which shares savings from green initiatives between tenant and landlord. The savings achieved are dedicated to funding energy-efficiency initiatives.

By working together in this way, Vukile tenants benefit from energy-saving capital projects at no cost or risk to them, and they get to enjoy great savings benefits.

The in-depth monitoring and understanding of the electricity consumption at its buildings gives Vukile another advantage – it has an accurate picture of what it is paying for, eliminating billing errors.

Again, this benefits its tenants too.

Vukile uses the services of a dedicated monitoring company, which ensures accurate reading, eradicates errors, and supports its very transparent billing. So, tenants are not only helped to reduce the power they use but can also be confident they are being billed accurately for their consumption.

“Being environmentally responsible makes sense for Vukile and its clients,” says van der Zee.

/ends

Issued by:
Vukile Property Fund
Laurence Rapp, CEO
Tel: 011 288 1032
www.vukile.co.za



marketing concepts

MEDIA RELEASE distributed by **Marketing Concepts**

1st Floor, Wierda Court, 107 Johan Avenue, Wierda Valley, Sandton

T +27 (0) 11 783 0700 