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Listed Property Sector Monthly Overview

August 2010

The SA Listed Property Index (J253) recorded a total return of 6.68% in July 2010. The PLS Index (J256) and PUT Index (J255) recorded total returns of 6.20% and 8.08% respectively over the same period. Capital Markets firmed during the month with the yield to maturity on the Long Term Government Bond Index ending the month at 8.30% (8.86% - 30th June 2010). The historic 12- month rolled yield of the SA listed property sector ended the month at 7.99% (8.41% - 30th June 2010).

Over the last 12 -24 months, the direct property market has been characterized by weakening property fundamentals and this has led to a slowing in income distribution growth over the same period. Although the operating environment will remain challenging over the next 12 months, the signs are that fundamentals are beginning to show signs of improvement. The eight company's results and commentary will give investors good insight into how the direct property fundamentals may impact the outlook for income distribution growth.

Asset Class	MTD	YTD	12 months
SA Listed Property ¹	6.68%	17.95%	27.63%
Equities ²	8.05%	3.66%	19.51%
Bonds ³	4.10%	9.94%	12.96%
Cash	0.55%	4.12%	7.40%

Source: Catalyst Fund Managers, RMB

Note: 1 SA Listed Property Index, 2 All Share Index, 3 All Bond Index

Equities was the best performing asset class in July, recording a total return of 8.05%, followed by SA Listed Property (6.68%), Bonds (4.10%) and Cash (0.55%). SA Listed Property is the best performing asset class year to date and over the past 12 months.

August is a busy time for the SA listed property sector in terms of reporting results. A total of nine companies will be reporting either full year or interim results in the month. These companies account for approximately 60% of the sector in terms of market capitalization. Below is a detailed table listing the companies which are reporting in the month.

Company Name	Year end	Results dates (expected)	Results
RESILIENT	December	12-Aug-10	Interim
HOSPITALITY	June	18-Aug-10	Full Year
PANGBOURNE	June	19-Aug-10	Full Year
FORTRESS	June	27-Aug-10	Full Year
SA CORPORATE	December	20-Aug-10	Interim
CAPITAL	December	04-Aug-10	Interim
EMIRA	June	18-Aug-10	Full Year
HYPROP	December	24-Aug-10	Interim
GROWTHPOINT	June	25-Aug-10	Full Year

Source: Macquarie First South



31 July 10 RSA Long term gilt (RLRS) 8.30%

Share	Market capitalisation	Close	Clean Price	Rolled yield	NAV	Premium or Discount of clean price to NAV	Average monthly trade R mil	Debt%
COMBINED MARKET CAP WEIGHTED INDEX								
	117,664,910,000			7.99%		11.84%	3,146.85	30.35%
GROWTHPOINT	25,565,060,000	1660	1614	7.5%	1468	10.0%	943.0	33.3%
REDEFINE	20,579,820,000	765	753	8.7%	736	2.4%	712.3	39.4%
HYPROP	8,637,880,000	5199	5074	6.9%	4429	14.5%	175.6	14.6%
PANPROP	8,393,170,000	1900	1844	8.1%	1548	19.1%	213.1	42.3%
RESILIENT	7,478,950,000	2910	2821	7.3%	2052	37.5%	145.4	34.0%
FOUNTAINHEAD	6,713,330,000	670	658	8.2%	674	-2.2%	220.5	14.1%
EMIRA	6,585,670,000	1350	1305	8.3%	1117	16.9%	157.5	21.4%
SA CORPORATE	6,266,420,000	311	300	9.5%	326	-7.9%	110.3	17.2%
CAPITAL PROPERTY	5,704,750,000	800	774	7.5%	655	18.2%	165.8	20.8%
ACUCAP	5,674,310,000	3395	3362	7.9%	2520	33.4%	82.7	35.3%
	101,599,360,000			7.98%				
SYCOM	4,984,170,000	2250	2231	7.3%	2149	3.8%	61.8	21.0%
VUKILE	4,283,070,000	1294	1278	8.7%	986	29.7%	61.8	30.6%
PREMIUM	2,112,930,000	1560	1535	7.5%	1313	16.9%	11.0	33.7%
FORTRESS-A	1,544,328,000	1070	1030	9.4%	918	12.2%	15.0	28.5%
OCTODEC	1,442,150,000	1615	1586	8.4%	1637	-3.1%	26.9	33.2%
	14,366,648,000			8.06%				
HOSPITALITY-A	833,080,000	1320	1271	9.2%	1589	-20.0%	19.99	48.4%
HOSPITALITY-B	694,230,000	1100	1065	8.6%	1589	-33.0%	13.0	80.0%
FORTRESS-B	171,592,000	230	226	4.6%	93	143.8%	10.0	93.6%
	1,698,902,000			8.48%				

INFORMATION SOURCE AND METHODOLOGY

*	Catalyst Calculations of effective and see-through gearing
Data	I-Net Bridge unless stated otherwise
Calculations and forecast estimates	Catalyst Fund Managers
Clean Price	Adjusts the closing price for distribution accrued since last distribution date
Rolled yield	Time weighted current 12 month historic distribution divided by the clean price.
NAV	* NAV is defined as (Total Assets - Total Liabilities) / Total shares in issue at statement date (Calculation includes deferred Tax Liability)
Debt%	Balance sheet long term interest bearing debt / income earning property assets, adjusted for see-through debt where information provided



Individual Share Performance

Historic performance for 2010								
Individual stock performance								
Total return	Jan	Feb	Mar	Apr	May	June	July	YTD
REIT Index	-3.47%	1.07%	3.08%	-0.65%	-5.45%	-0.47%	9.58%	3.04%
PUT Index	0.78%	3.14%	4.89%	0.18%	-0.86%	1.53%	8.08%	18.82%
PLS Index	-0.64%	6.65%	3.89%	2.39%	-2.66%	0.89%	6.20%	17.57%
SA Listed Property Index (SAPY)	-0.25%	5.75%	4.15%	1.85%	-2.22%	1.06%	6.68%	17.95%
Capped Property Index (PCAP)	-1.00%	4.74%	3.80%	1.34%	-3.02%	0.37%	7.33%	13.96%
FORTRESS-B	5.42%	14.29%	-12.00%	13.64%	0.00%	25.00%	-8.00%	38.55%
PREMIUM	0.97%	2.72%	3.74%	6.90%	3.09%	-0.43%	11.03%	31.08%
VUKILE	-4.63%	7.77%	7.66%	1.00%	1.08%	7.08%	4.35%	26.23%
OCTODEC	2.61%	0.15%	3.12%	6.69%	0.01%	4.83%	6.25%	25.93%
SA CORPORATE	5.36%	1.09%	5.57%	3.57%	-2.76%	2.84%	7.24%	24.90%
GROWTHPOINT	-2.14%	6.28%	5.57%	3.19%	-0.46%	2.44%	6.96%	23.57%
EMIRA	2.43%	-1.61%	6.58%	2.54%	0.74%	2.05%	8.52%	22.89%
SYCOM	-1.81%	7.65%	6.72%	-2.85%	0.47%	2.08%	7.66%	21.00%
HYPROP	0.07%	8.96%	3.27%	4.21%	-4.79%	0.97%	4.00%	17.31%
CAPITAL PROPERTY	-1.13%	2.32%	3.60%	0.00%	-2.78%	4.29%	9.59%	16.45%
RESILIENT	0.38%	5.62%	2.34%	3.98%	-1.06%	0.36%	3.93%	16.43%
PANPROP	0.29%	6.43%	2.46%	1.62%	-3.40%	-0.51%	8.51%	15.89%
ACUCAP	-1.58%	3.61%	4.24%	3.19%	-2.94%	1.77%	5.14%	13.91%
REDEFINE	0.14%	8.30%	3.17%	0.77%	-5.65%	-0.83%	6.25%	12.08%
HOSPITALITY-A	2.02%	5.30%	0.06%	-1.96%	4.56%	-1.30%	2.33%	11.28%
FOUNTAINHEAD	-1.59%	6.13%	3.34%	-2.65%	0.65%	-2.50%	7.54%	10.89%
FORTRESS-A	3.09%	-1.00%	0.00%	-1.01%	2.96%	0.10%	5.94%	10.31%
HOSPITALITY-B	4.17%	5.12%	2.13%	-6.74%	-6.41%	-4.30%	0.92%	-5.73%

INFORMATION SOURCE AND METHODOLOGY

Data

Calculations and forecast estimates

Suspended / Delisted / Not yet listed

I-Net Bridge unless stated otherwise

Catalyst Fund Managers



Acucap

The following direct or indirect directors' dealings occurred:

Name	Type	Date	Volume	Price
C B Marlow	Sale	14 Jul 2010	185 000	3400cpu

Acucap linked unitholders are referred to the announcement dated the 12th March 2010 regarding the acquisition of Phases 3, 5 and 6 of Tyger Hills Office Park and are hereby advised that all outstanding conditions precedent pertaining to the acquisition as set out in the aforementioned announcement, have been fulfilled.

Acucap and Sycom unitholders are referred to the announcement dated 12th March 2010 regarding the acquisition by Acucap of the remaining 50% in Sycom Property Fund Managers from Parkdev (Pty) Ltd and are hereby advised that Competition Authority approval has been obtained. The transaction is still conditional upon obtaining Financial Services Board approval which is expected to be finalised in early August 2010.

Emira

In compliance with the JSE Limited Listings Requirements, participatory interest holders are advised that Mr. Vusumuzi Mahlangu has been appointed to the board of Strategic Real Estate Managers (Pty) Ltd, the authorised management company of Emira, as a non-executive director with effect from 24th June 2010.

On the 25th August 2003, the manager of the Fund, Strategic Real Estate Managers(Pty) Ltd, and the trustee of the Fund, Absa Bank Limited, signed and executed a deed, establishing the Emira Property Scheme. The Manager and the Trustee have now agreed to enter into supplemental deeds in order to effect the following amendments:

1. Extend the ambit of the Manager's investment policy so that the Fund can invest in a broader class of assets;
2. Increase the limit of borrowing by the Scheme, from the current limit of 30% to 40% of the value of its underlying assets comprising the relevant portfolio;
3. Amend the existing service charge arrangement in respect of the Fund, from a monthly charge based on enterprise value, to a monthly charge equal to the actual operating costs incurred by the Manager in administering the Fund and the payment of a once-off cancellation payment of R197.4m to the Manager. A detailed memorandum regarding the above amendments has been mailed to Emira participatory interest holders on the 14th July 2010 and requires PI holder approval.

Fortress

Linked unitholders are referred to the announcement released on SENS on the 7th April 2010 detailing the acquisition by Fortress of a portfolio of properties from various companies within the Murray & Roberts group. Linked unitholders are advised that all conditions precedent to the acquisition have been fulfilled, save for the condition to the Bellstar transaction requiring consent of the South African Rail Commuter Corporation Ltd, for which the date for fulfillment has, by agreement, been extended to 30th September 2010.

Hospitality

The following direct or indirect directors' dealings occurred:

Name	Type	Date	Volume	Price
Grapnel Property Asset Management (Pty) Ltd*	Sale	30 Jun 2010	300 000	1300cpu
Grapnel Property Asset Management (Pty) Ltd*	Sale	1 Jul 2010	272 300	1300cpu
Grapnel Property Asset Management (Pty) Ltd*	Sale	2 Jul 2010	33 481	1300cpu

*G Nelson is a beneficiary of the Nelson Family trust which owns 42% of Grapnel property Asset management (Pty) Ltd.

Further to the cautionary announcement dated the 9th June 2010, linked unitholders are advised that negotiations are still in progress with the Arabella South Africa Holding (Pty) Ltd group of companies to acquire the two 5-star properties known as Westin Grand Hotel and Arabella Western Cape Hotel & Spa. Hospitality's linked unitholders are accordingly advised to continue to exercise caution when dealing in Hospitality's linked units until a further announcement is made.

Premium

Premium's linked unitholders are advised that the 2010 annual report was posted to linked unitholders on the 28th July 2010. The annual financial statements contain no material modifications to the results published on SENS on the 22nd April 2010. The annual general meeting of linked unitholders will be held on the 20th August 2010.

Redefine

Unitholders are referred to the previous announcements in relation to the acquisition by Redefine of 19,686,558 Hyprop Investment Limited units at R50 per unit from Coronation Asset Management, a mandatory offer to Hyprop unitholders that will be triggered on the implementation of the acquisition.



Redefine has received unconditional approval from the Competition Tribunal for the acquisition of control by Redefine of Hyprop that may result from the implementation of the transactions. The acquisition and the mandatory offer collectively comprise a category 1 transaction for the purpose of the JSE Listings Requirements and, accordingly, are conditional on Redefine unitholder approval. In this regard a category 1 circular in relation to the transactions has been dispatched to Redefine unitholders on the 28th July 2010 convening a general meeting of unitholders for the 12th August 2010 to consider and, if deemed fit, approve the implementation of the transactions. Although the mandatory offer is only triggered on the implementation of the acquisition Redefine intends anticipating its obligations under the SRP Code by making an offer to Hyprop that is conditional upon the Redefine unitholder approval envisaged above. A further announcement detailing with the terms of the mandatory offer will be published in due course.

Vukile

Unitholders in Vukile are advised that Ms. E Yates, Company Secretary of Vukile, has resigned, effective the 30th June 2010.

The following direct or indirect directors' dealings occurred:

Name	Type	Date	Volume	Price
Sanlam Capital Markets (Pty) Ltd	Release of units in terms of the long term incentive scheme. Units vested on the 1 st July for G. Van Zyl.	2 Jul 2010	1 150 800	1241cpu
Sanlam Capital Markets (Pty) Ltd	Release of units in terms of the long term incentive scheme. Units vested on the 1 st July for M Potts.	2 Jul 2010	511 461	1241cpu
G Van Zyl*	Sale	5 Jul 2010	54 063	1230cpu
G Van Zyl*	Sale	6 Jul 2010	172 488	1230cpu
G Van Zyl*	Sale	7 Jul 2010	237 855	1230cpu
G Van Zyl*	Sale	8 Jul 2010	699	1230cpu
M Potts*	Sale	5 Jul 2010	24 028	1230cpu
M Potts*	Sale	6 Jul 2010	76 663	1230cpu
M Potts*	Sale	7 Jul 2010	105 715	1230cpu
M Potts*	Sale	8 Jul 2010	311	1230cpu

*Sale of units to fund tax due on the units received from Sanlam Capital Markets (Pty) Ltd

Unitholders in Vukile are advised that Mr. J Neethling has been appointed as Company Secretary of Vukile, effective 27th July 2010.

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