

Delta secures more government leases

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By signing 5-year lease agreements, the Department of Public Works will give the property fund more predictable earnings going forward.

Delta Property Fund has secured six more property leases with the Department of Public Works and says it expects more to be wrapped up in the short term.

The six leases, in Klerksdorp, Kimberley, Pietermaritzburg and Nelspruit, cover a total gross lettable area of just over 9,000 square metres at an average office rental of R96 per square metre. It's now secured 17 leases with the DPW for a combined lettable area of 38,600 square metres. The combined average lease tenure is 5 years at an average contractual escalation rate of 6.5%.

The real estate investment trust's main source of business is renting offices to the government. The 5-year agreements, longer than the short-term leases usually preferred by the government, help to provide Delta with more predictable earnings.

The Company believes that the DPW lease renewal process is on track and anticipates additional leases to be concluded in the short term," *Delta said.*

Its shares rose 0.5% to R1.90 on Thursday.