

SA's first Reit sustainability-linked ESG bond launched

The Investec Property Fund (IPF) recently issued a three-year, sustainability-linked bond of R800m - a first for the local real estate investment trust (Reit) sector.



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In line with the bond's green credentials, the fund will benefit from a reduction in the coupon of 10 basis points from its initial 190 basis points above the three-month Johannesburg Interbank Average Rate (JIBAR). This benefit will be realised when certain pre-agreed performance objectives, linked to the rollout of green building and renewable energy targets, are achieved by 30 June 2022.

Aligned with environment, social and governance (ESG) strategy

Commenting on the listing, IPF joint-CEO Darryl Mayers said: "We have always been committed to living in society, not off society. The decision to issue the first sustainability-linked ESG bond in the Reit sector, is not only a direct result of the strong appetite for IPF paper but is aligned and fully integrated with our ESG strategy. This issuance speaks to the underlying synergies within our assets and their alignment to the broader ESG priorities entrenched in the fund. As a pioneer in the sector, we intend to hold ourselves accountable to our prescribed targets and play a leading role in working towards building a more sustainable society."

The proceeds from the note will be used to refinance debt maturities and will have no impact on IPF's loan-to-value ratio.

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