Dipula buys three shopping centres for R268m

Continuing its aggressive portfolio growth, Dipula Income Fund says it intends to buy three retail properties for R268m.

The properties are the R169m Tembisa Mega Mart, a 14,007sqm shopping centre development in Gauteng, the R42m first phase Orange Farm shopping centre in Gauteng which spans 5,600sqm and the R57m Melki Portfolio in KwaZulu-Natal of 6,900sqm.

Izak Petersen, chief executive of Dipula Income Fund explains that all three assets further its objective of increasing the quality and average size of the properties in its investment portfolio, on a yield enhancing basis.

Dipula Income Fund is a listed property loan stock company formed through the merger of Mergence Africa Property Fund and Dipula Property Fund, two majority black-owned property funds.

Dipula has a black shareholding of about 26%, which is among the highest in the South African listed property sector and is managed by Dipula Asset Management Trust, a 100% BEE company.

"Besides meeting our growth strategy, the acquisitions also increase our exposure to the growth opportunities from low-income household retail.

"Retail has proved defensive over recent years, providing quality growing rental streams," says Petersen.

"Acquiring the Melki Portfolio also achieves greater exposure to retail in KwaZulu-Natal," he added.

The Tembisa Mega Mart transaction is subject to various conditions, including Competition Commission approval.

Dipula is finalising the acquisition's financial effects and, until this is announced, it has advised Dipula linked unitholders exercise caution when dealing in its linked units.

A little over a year since listing on the JSE in August 2011, Dipula has successfully secured five major acquisition transactions, growing its property assets by R1.4 billion.

Following this transaction, Dipula's assets will grow to 190 sectoraly and geographically diverse properties valued at R3.5bn.