

# Billion lays foundations for expansion

By [Nick Hedley](#)

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The Billion Group, a property developer that is also the asset manager of JSE-listed Rebosis Property Fund, has several significant developments under way in SA, but is also targeting retail developments on the rest of the continent, which may be listed separately in the future.

Billion and Rebosis CE Sisa Ngebulana said on Friday that Billion was undertaking 12 retail shopping centre developments between Angola, Ghana, Nigeria and Uganda, which would each be between 25,000m<sup>2</sup> and 40,000m<sup>2</sup> in size.

The group had offices in these regions and had had "people there on the ground" for the past two years, Ngebulana said. While the centres were likely to house some South African retailers and local retailers, the group had seen strong international interest from the likes of French multinational retailer Carrefour.

Members of the leasing teams who had let Dubai Mall and other centres in Dubai had recently joined Billion's leasing team.

Ngebulana said Billion had partnered a number of private equity capital groups from London, other parts of Europe and the US, and had "more appetite from those sources than we need".

It was considering the consolidation of these retail assets, possibly with other assets it may acquire and expand, "into a fund which we might reverse into the JSE". This would exclude Billion's South African assets and would be an African-focused fund. The fund may also be listed in London or dual-listed in London and Johannesburg.

Rebosis has access to Billion's assets through its right of first refusal on Billion developments when they are sold to the market. Analysts say this creates a significant potential acquisition pipeline for the fund in a market where opportunities to acquire prime assets are hard to come by. Ngebulana said although it was a good time to be developing in SA given low funding costs, "development opportunities in this country are few and far between", which was why Billion was looking north of the country's borders.

While Rebosis had no focus on the rest of Africa at the moment, Ngebulana said the fund might indirectly participate "in the vehicle that has those assets down the line".

However, "depending on the appetite of the board and unitholders", Rebosis would consider acquiring all or parts of Billion's South African developments. Billion's prime assets being developed in SA, three of which are valued at more than R5bn combined, could potentially be "great for Rebosis", whether wholly-acquired or otherwise, Ngebulana said.

These assets included the 75,000m<sup>2</sup> Forest Hill shopping centre to the west of Pretoria, which was part of a greater mixed-use precinct covering about 300,000m<sup>2</sup>. The shopping centre, the first phase of the project, was due to open in April next year.

Construction on Billion's joint venture with Abacus Asset Management on the R2bn Bay West Mall in Port Elizabeth began late last month.

The 87,500m<sup>2</sup> mall, located on the western side of Port Elizabeth, is also the first phase of a larger mixed-use joint-development precinct which will include light industry, offices, hospitals, service stations, hotels and residential and retail accommodation. The mall is due to open in March 2015, and the group intended to roll out the greater Bay West City project in the next 10 to 12 years. Billion was also soon to start development on a 35,000m<sup>2</sup> mall in Pretoria North's Hebron township.

Source: Business Day

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