

SA Corporate to acquire R65m PwC Musgrave building

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SA Corporate Real Estate Fund on Friday announced that it had entered into an agreement with Old Mutual Life Assurance Company (OMLACSA), in which SA Corporate will acquire the PwC (PricewaterhouseCoopers) Musgrave building, in Durban. The total purchase price for the property, which will be settled in cash, is R65m.

The acquisition will become effective upon transfer of the property which is expected to take place during the first quarter of 2013.

"The acquisition of the property is firmly in line with the overall investment strategy of the fund at an initial yield on total cost of 10.43% on the assumption that transfer of the property is registered on March 1 2013," the company said.

The property comprises a five story A-Grade office block and is fully let to PricewaterhouseCoopers on a triple net lease escalating at 8% per annum compound. The lease expires on June 30 2015.

As SA Corporate and OMLACSA have a common asset manager, Old Mutual Property (OMP) and further, as OMLACSA is an associate of OMP, the acquisition is a "small related party" transaction in terms of the JSE listings requirements.

The acquisition is subject to obtaining the relevant regulatory approvals, and a due diligence investigation within 21 business days from date of signature.

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