

Growthpoint's talks with Acucap at advanced stage

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The plan by Growthpoint, the JSE's largest property group by market value, to buy Acucap Properties, is on track, with the companies announcing that takeover talks were at an advanced stage.



Growthpoint's Norbert Sasse says Acucap is an attractive investment because of the regional shopping centres that it owns. Image: [AFP](#)

If the merger goes ahead, Growthpoint would account for more than a quarter of South Africa's listed property by market capitalisation.

The merger could signal a spurt of mergers and acquisitions to close off the year. Investors have been seeking property counters that are more liquid than many listed in SA.

After gaining pace early this year, consolidation started to slow in May. But some deals that were in the works may still be completed.

Growthpoint has a market value of about R58bn; Acucap's is about R11bn. The listed sector is worth about R280bn.

Growthpoint said it was under a cautionary notice and could not comment further. Acucap declined to comment.

In August Growthpoint's Chief Executive Norbert Sasse said the talks were "ongoing and positive". Acucap Properties and Sycom Property Fund are sister companies after Acucap bought more than 90% of Sycom this year. Sycom will be delisted soon, when the two funds merge.

Growthpoint says it is attracted to Acucap's retail portfolio as it has several regional shopping centres including Ekurhuleni,

Greenacres in Port Elizabeth, Festival in Kempton Park and Key West in Krugersdorp.

In April Growthpoint bought stakes in Acucap and Sycom Property in a deal worth R4.66bn. It left Growthpoint with just under 35% of Acucap and 15% of Sycom.

Old Mutual Investment Group Property Portfolio Manager Evan Robins said Growthpoint's pursuit of Acucap made sense. "They are looking to increase their exposure to retail assets. There are not that many shopping centres available, so taking over a fund with a large portfolio of them can work."

Source: BDPro via I-Net Bridge

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