

Rebosis spends R1bn on office properties

By [Nick Hedley](#)

7 Dec 2012

Rebosis Property Fund said on Wednesday (5 December) it had concluded agreements for the acquisition of a portfolio of office properties in Johannesburg and Pretoria for R1bn.



Chief executive Sisa Ngebulana said yesterday (6 December) the office portfolio, which was mostly government tenanted, would provide "good defensive income that underpins a stable distribution focus and stability of income streams", while being yield enhancing assets for the group.

The offices are controlled by Peolwane Properties and the Nthwese Trust, and are dominated by national and provincial government tenants with an element of blue chip corporate tenants, Nedbank, being a tenant in one of the buildings.

The portfolio, which includes the IBM Building, has long-term leases which expire in 2019 and 2020.

Ngebulana said Rebosis was maintaining its focus on aggressively growing the fund to R10bn in the next five years,

The R1bn acquisition, along with the R700m proposed acquisitions of the Sunnypark Shopping Centre in Pretoria and an industrial warehouse in Johannesburg announced last month, would increase the fund's size to about R6.2bn.

Ngebulana said Rebosis would maintain its focus on long term lease buildings which had already been upgraded.

He said government tenanted buildings gave the portfolio stability and a solid base, as they had longer term leases in areas where government demand for office space was high, he said.

While the fund was looking "across the spectrum" for opportunities, "in the private sector, these are very few and far between at the moment".

The office portfolio acquisition would push the group's retail exposure to below 50%, however it had right of first refusal on Billion Group developments that are due to open in 2014.

These included Forest Hill in Centurion and Mthatha Mall and Bay West City in the Eastern Cape, which would swing its retail exposure back above 50%, depending on further acquisitions, Ngebulana said.

The office portfolio acquisition, which is subject to various conditions, is expected to be concluded in March next year.

For more, visit: <https://www.bizcommunity.com>