

Property back on the JSE, Sharemax news

At least eight new real estate companies could find their way on to the JSE over the next nine months, adding R30 billion or 25% to the sector's market cap. According to *Finweek's* property editor Joan Muller, these developments are quite astounding, as only six years ago the JSE's Real Estate Sector - then collectively worth around R35 billion - was still struggling to rid itself of its small cap status.

At that stage, property unit trusts (PUTs) and loan stock companies (PLSs) of more than R2 billion were rare and most serious investors shunned the listed property sector for its lack of quality, size and liquidity.

Muller reports that over the past 10 days alone plans to bring two multi-billion rand portfolios to the JSE were announced. These include the long-awaited move by life insurer Old Mutual to list its R12 billion property portfolio, including shopping centres such as Menlyn Park (Pretoria), Gateway Theatre of Shopping (Umhlanga) and Cavendish Square (Cape Town); and controversial syndication scheme Sharemax reversing its listing its R5 billion shopping centre portfolio into Bonatla.

Attfund's R8,3 billion shopping centre portfolio will also make its much-anticipated JSE debut early next year. Capital Land Retail Fund, Supreme Commercial Property Fund, Healthcare Property Fund as well as South Africa's first residential listing Kwami Residential Fund are other hot contenders for a JSE-listing by mid-2011.

Muller's cover story in the current *Finweek* also provides a comprehensive review of all the latest property contenders, as well as a strong argument for investors to increase their exposure to listed property.

Sharemax shock

According to *Finweek* correspondent Vic de Klerk there could be more bad news - perhaps a great deal of it - for some investors in the various Sharemax property syndicates. He reckons last week's "shock" announcement that the two largest syndicates - Zambezi Retail and The Villa - hadn't paid "interest or dividends" to investors last month might only be the beginning.

However, further bad news is that Niki Vontas, CEO of Bonatla (which has made an offer for all Sharemax's property syndicates) isn't a white knight at all. De Klerk argues Vontas is not there to save anything - but rather to do the best for his own shareholders.