

Dipula Income Fund to buy three provincial malls

Dipula Income Fund will purchase three provincial malls; R179.5 million for the 25 700sqm Plaza Shopping Centre in Phuthaditjhaba in the Free State; R46.2 million for the 6000sqm Randfontein Station Shopping Centre in Gauteng and R104.2 million for the 14 700sqm Bushbuckridge Shopping Centre in Mpumalanga.

Izak Petersen, CEO of the fund, says, "The acquisitions will further our objective to increase the fund's retail portfolio exposure to low-income households. These strategic acquisitions improve the quality and average size of properties in the portfolio. It will also improve the geographic spread of our portfolio."

The acquisitions continue its focus on portfolio growth. This is its second major transaction since listing in August 2011, having recently bought Bochum, Blouberg Plaza and Nquthu Plaza for R250 million.

The new assets will grow its portfolio to 181 diverse properties, valued at approximately R2.7 billion. The fund's total size will now comprise of approximately 512 000sqm of GLA, following the two acquisitions, with retail property being approximately 57%.

The three shopping centres will be acquired using a minimum of 30% debt funding, with the balance being equity funded. The transaction is still subject to various conditions, including Competition Commission approval.

The fund is finalising the acquisition's financial effects and, until this is announced, it has advised its linked unit holders to exercise caution when dealing in its linked units.

Dipula Income Fund is a listed property loan stock company formed through the merger of Mergence Africa Property Fund and Dipula Property Fund, two majority black-owned property funds. Dipula Asset Management Trust, a company with I BEE credentials, externally manages Dipula.