

# COMPETITION TRIBUNAL OF SOUTH AFRICA

**Case No: 78/LM/Jul07**

In the matter between:

**SA Corporate Real Estate Fund**

Acquiring Firm

And

**The Buffcol Portfolio**

Target Firm

Panel : D Lewis (Presiding Member), N Manoim (Tribunal Member) and Y Carrim (Tribunal Member)  
Heard on : 5 September 2007  
Order issued on : 5 September 2007  
Reasons issued on : 20 September 2007

## **Reasons for Decision**

### **Approval**

1]On 5 September 2007, the Tribunal approved the acquisition by SA Corporate Estate Fund of 38 properties owned by The Buffcol Portfolio. The reasons follow below.

### **The Transaction**

2]This is a property transaction in terms of which SA Corporate Estate Fund ("SA Corp") intends to acquire all the properties within the Buffcol Portfolio. The Buffcol Portfolio, comprising of the Buffet Properties and Collins Properties, owns 38 properties in total which are located throughout South Africa. Post the transaction SA Corp will own and control the Buffcol Portfolio.

3]SA Corp is listed on the JSE Limited and is not controlled by any single shareholder. Its largest shareholders are:

Public Investment Corporation	27.99%
Old Mutual Investment Group	19.50%
Whirlprops (Pty) Ltd	12.50%
Marriott Asset Management	8.54%

### **Rationale for the transaction**

4]Buffcol wishes to realise its investment. The transaction will enhance the critical mass and diversification of SA Corp's portfolio.. The asset value of its portfolio will increase to more than R7.8 billion from the current level of R6.8 billion.

### **The relevant market and the impact on competition**

5]The proposed transaction results in an overlap in respect of grade B and C office properties situated in Pinetown and Pietermaritzburg respectively and in light industrial properties situated in the Jet Park, Boksburg, Isando and Springfield nodes.

6]Post the transaction the merged entity will not have a market share of more than 5% in any of the product markets identified above. In light of this we find that the transaction is unlikely to substantially prevent or lessen competition in any of the relevant markets.

### **CONCLUSION**

7]There are no significant public interest issues and we accordingly approve the transaction.

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**Y Carrim**

**20 September 2007**

Date

**D Lewis and Manoim concurring**

Tribunal Researcher: R Badenhorst  
For the merging parties: Jowell Glyn & Marais Inc  
For the Commission: M Matsimela and Makgale Mohlala