



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: LM296Mar18

In the matter between

Investec Bank Limited

Primary Acquiring Firm

And

**Growthpoint Properties Limited in respect of the
property known as 100 Grayston Drive and
Merchant Place Parkade Share Block (Pty) Ltd**

Primary Target Firm

Panel	: Mr E Daniels (Presiding Member)
	: Mrs M Mokuena (Tribunal Member)
	: Prof I Valodia (Tribunal Member)
Heard on	: 22 March 2018
Order Issued on	: 22 March 2018
Reasons Issued on	: 27 March 2018

REASONS FOR DECISION

Approval

- [1] On 22 March 2018, the Competition Tribunal ("the Tribunal") unconditionally approved the large merger whereby Investec Bank Limited ("Investec Bank") intended to acquire the immovable property known as 100 Grayston Drive ("Target property") as well as all shareholding in the Merchant Place Parkade Share Block (Pty) Ltd ("Merchant Place shares") held by Growthpoint Properties Limited ("Growthpoint").

- [2] The reasons for the approval follow.

Parties to the transaction and their activities

Primary acquiring firm

- [3] The primary acquiring firm is Investec Bank, a wholly owned subsidiary of Investec Limited. Investec Limited is an international specialist bank and asset manager with a number of subsidiaries. Investec Limited and its subsidiaries are hereinafter referred to as Investec.

Primary target firm

- [4] The Target property is the immovable property situated at 100 Grayston Drive, currently owned by Growthpoint. Growthpoint leases out this property to Investec for use as its head office. Also included in the proposed transaction is the Merchant Place shares held by Growthpoint. These shares entitle the holder to exclusive use and enjoyment of 580 parking bays at the Merchant Place Parkade, situated adjacent to the target property.
- [5] Growthpoint is a property investment holding company, classified as a REIT, and is not controlled by any firm.

Proposed transaction and rationale

- [6] Investec intends to acquire ownership of the target property and the Merchant Place shares for its internal use.

Relevant market and impact on competition

Horizontal assessment

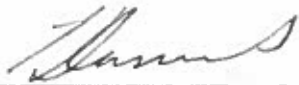
- [7] The Commission analysed the market for the provision of rentable Grade P office space in the Sandton and Environ node as well as nodes within a 5km radius of the target property. The proposed transaction is unlikely to lead to any competition concerns as the merged entity holds a relatively low market share with minor accretion and faces significant competition in the market. Further, the property will continue to be used by Investec for its internal purposes and will not be offered to third parties as rentable office space.

Public interest

[8] The Commission was satisfied that the proposed transaction was unlikely to adversely impact employment or any other public interest concern. We accordingly agreed with the Commission's analysis.

Conclusion

[9] In light of the above, we conclude that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market. In addition, no public interest issues arise from the proposed transaction. Accordingly, we approve the proposed transaction unconditionally.



Mr Enver Daniels

27 March 2018

Date

Mrs Medi Mokuena and Prof Imraan Valodia

Tribunal Researcher: Jonathan Thomson

For the merging parties: Vani Chetty of Vani Chetty Competition Law

For the Commission: Innocent Mhlongo