



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: LM105Oct24

In the matter between:

Old Mutual Rental Housing Investment Fund Two Ltd

Primary Acquiring Firm

and

**The residential rental enterprise properties known as
Stepney Green and Little Manhattan**

Primary Target Firms

REASONS FOR DECISION

Approval

1. On 12 November 2024, the Competition Tribunal (“Tribunal”) unconditionally approved a large merger in which Old Mutual Rental Housing Investment Fund Two Limited (“OMRENT”) intends to acquire 100% of the undivided share in the residential rental enterprise properties known as Stepney Green and Little Manhattan from IHS Fund II SA Rental Trust 2 (“IHS Fund II”).
2. The primary acquiring firm is OMRENT. OMRENT is ultimately controlled by Old Mutual Limited (“OML”). All the firms controlled by OMRENT and OML are collectively referred to as the “Acquiring Group”.
3. The target firm is 100% of the undivided share in the following residential properties: Little Manhattan, located at Mhiri Street, off WF Nkomo Street, Lotus Gardens, City of Tshwane, Erf 7731 Lotus Gardens, Gauteng (“Little Manhattan”); and Stepney Green, located at the Corner of Parklands Main Road and Stepney Road, Parklands, Cape Town, Western Cape (“Stepney Green”), collectively referred to as the “Target Properties”.
4. In assessing the transaction, the Competition Commission (“Commission”) considered the activities of the merging parties and found that the proposed transaction results in a horizontal product overlap as both parties’ own residential properties. The Commission further found that the Acquiring Group controls 5¹ residential properties within the Western Cape, while the Target Properties consist of only 1 residential property within the Western Cape, being Stepney Green.

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5. In respect of the relevant geographic market, the Commission found that the residential properties of the Acquiring Group in the Western Cape are located more than 15 kilometres from Stepney Green, which forms part of the Target Properties. Given that the merger does not raise any competition concerns as there are various competing properties in the vicinity of Stepney Green regardless of the geographic scope of the market, it is not necessary for us to conclude on the precise scope of the geographic market.
6. The proposed transaction does not raise any vertical overlaps.
7. The merging parties confirmed that the proposed transaction will not have any adverse impact on employment. In particular, there will be no retrenchments or job losses arising due to the proposed transaction.
8. OMRENT is 27% owned by Historically Disadvantaged Persons (“HDPs”) by virtue of its ultimate controller, OML, which is 27% owned by HDPs. The Target Properties do not have any HDP ownership. The Commission found that the proposed merger results in an increase in HDP shareholding in the Target Properties.
9. Based on the above facts, we conclude that the proposed merger raises no significant concerns regarding the spread of ownership and raises no other public interest concerns.
10. For the reasons set out above, we are satisfied that the proposed merger is unlikely to lead to a substantial prevention or lessening of competition in any relevant market and the proposed merger does not raise public interest concerns.
11. In the circumstances, we unconditionally approve the proposed merger.

Signed by: Prof. Thando Vilakazi
Signed at: 2024-11-18 16:17:27 +02:00
Reason: Witnessing Prof. Thando Vilakazi

Thando Vilakazi

**Presiding Member
Prof. Thando Vilakazi**

18 November 2024

Date

Concurring: Prof. Imraan Valodia and Ms Andiswa Ndoni

Tribunal Case Manager:
For the Merging Parties:

Bobedi Seleke
Xolani Nyati, Sivuyise Lutshiti and Nicola Taljaard
of Bowman Gilfillan Inc.

For the Commission:

Tumiso Loate and Grashum Mutizwa