



## COMPETITION TRIBUNAL OF SOUTH AFRICA

Case no: LM098Oct21

**Municipal Employees Pension Fund** (Primary Acquiring Firm)

and

**ERF 82 Bryanston (Pty) Ltd** (Primary Target Firm)

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### REASONS FOR DECISION

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- [1] On 13 December 2021, the Competition Tribunal (“Tribunal”) unconditionally approved a large merger between the Municipal Employees Pension Fund (“MEPF”) and ERF 82 Bryanston (Pty) Ltd (“ERF 82”), in respect of the letting enterprise known as Nicol Way Shopping Centre (“the Target Property”).
- [2] Pre-merger, Reabay Investments (Pty) Ltd (“Reabay”) effectively owns 100% of ERF 82.
- [3] The Target Property is a community centre as defined by the South African Property Association and is located in William Nicol Drive and Wedgewood Link, Bryanston, Gauteng. The Target Property comprises of the following:
- a. Nicol Way Shopping Centre with a gross rentable area of 23 304 m<sup>2</sup>.
  - b. Nicol Way East 1, with a gross rentable area of 3 654 m<sup>2</sup>.
  - c. Nicol Way West, an office block development with rentable area of 4 001 m<sup>2</sup>.
- [4] The proposed transaction involves the acquisition of the Target Property by the MEPF, including the property as well as the rights in and to the leases and all other assets necessary for carrying out the enterprise from ERF 82.

### *Competition assessment*

- [5] The Competition Commission (“Commission”) identified a horizontal product overlap in the activities of the merging parties in the provision of rentable retail space. The Commission however found that the closest retail property of the MEPF is located more than 45 km away from the Target Property and therefore concluded that there is no geographic overlap in the activities of the merging parties.
- [6] Given the above, the Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market. We concur with this finding.

### *Public interest*

- [7] ERF 82 has 8 employees. The merging parties submitted that the MEPF has resolved to re-employ the 8 employees employed by ERF 82. Therefore, the proposed transaction will have no negative effect on employment.
- [8] The MEPF has a total of 26 283 members. Of the total members, more than 95% of the active members are from historically disadvantage backgrounds. In concluding the acquisition of ERF 82, the transaction will facilitate beneficial ownership of economic profits that will accrue to the members of the fund.
- [9] The proposed transaction raises no other public interest concerns.

### *Conclusion*

- [10] We conclude that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market. Furthermore, the proposed transaction raises no public interest concerns.

**15 December 2021**

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**Mr Andreas Wessels**

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**Date**

**Ms Mondo Mazwai and Ms Yasmin Carrim concurring**

Tribunal Case Manager: Kameel Panchm

For the Merging Parties: Ipeleng Mompoti

For the Commission: Portia Bele and Grashum Mutizwa