

ApexHi sells off 104 properties for R668m

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APEXHI Properties, the second- biggest listed property company with a market capitalisation of about R10bn, yesterday announced it had sold 104 properties for R668m to two empowerment companies.

Enterprise development property company Dipula bought 66 properties for R334m at a yield of 10,1%, and 38 properties were sold to Mergence for R334m at a yield of 9,8%.

Dipula and Mergence were set up by Redefine Income Fund, a sister company of ApexHi, as both are managed by Madison Property Fund Managers.

The transaction has already received Competition Commission approval.

ApexHi CEO Gerald Leissner said the company thought the price was “good” and that the properties sold did not suit ApexHi’s profile anymore in terms of its location and growth prospects.

Leissner said the sale should result in improved management of the company’s remaining 300 properties, as the properties sold were generally smaller, management-intensive properties in areas that were difficult to access.

Although the number of properties in ApexHi’s portfolio was reduced by 25%, the value of the portfolio was only reduced 8%.

The money from the sale of the properties would be used to upgrade properties still held.

As far as the general sale of properties was concerned, Leissner said the company looked at each property and considered selling if the price it received was revenue enhancing.

Leissner said that ApexHi was finding it difficult to acquire properties in the market as prices were too high. “We are focusing on adding value to our existing portfolio,” he said.

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