

Delta Property Fund aims to list on JSE by year-end

THABANG MOKOPANELE

Property Editor

DELTA Property Fund has announced its intention to list on the JSE before the end of the year, bringing to the market a R2.1bn property portfolio.

CEO Sandile Nomvete said yesterday that over the past four years the fund had grown into a serious contender in the property space by concentrating on core competencies such as an ability to refurbish buildings to high-grade specifications and identifying scarce prime properties in nodes that are attractive to the government.

"The proposed listing is an exciting step forward for Delta. Our portfolio will offer investors stable, resilient cash flows and value creation potential. Management has a long-term view on the business and will manage it for capital growth and the delivery of superior shareholder returns," Mr Nomvete said.

On listing, Delta, a black-managed and substantially black-owned property loan stock firm established in March 2005, would own a portfolio of 20 established, mainly AAA-grade to B-grade high-quality office buildings across SA in nodes attractive to various government departments and the South African Revenue Service (SARS).

The portfolio has a total gross lettable area of 203,261m², consisting of 92% office space and an 8% retail component. The occupancy rate is 95.2%.

Mr Nomvete said the fund's primary springboard to success had been the ability to identify and secure government- and SARS-leased properties, with the aim of outperforming the market within the context of global market volatility.

He said the fund's broad-based black economic empowerment credentials positioned it well to leverage the advantages of government-tenanted buildings, such as single tenant occupancy, long-term leases and fixed-lease escalations for the duration of the loan.

The fund is externally managed by a 100% black-owned asset manager, qualifying it for long-term government leases in terms of the provisions of the Department of Public Works.

The asset management team has collectively over more than 75 years of property experience and has been instrumental in establishing the portfolio and positioning Delta as a landlord of choice for the government, Mr Nomvete said.

Nedbank Capital has been appointed as the corporate adviser and sponsor, with KPMG as the independent sponsor to the fund.

mokopanelet@bdfm.co.za