

Delta to raise R980m from listing

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THE black-owned and managed Delta Property Fund, which specialises in government-tenanted properties, expects to list its linked units on the JSE on Friday week.

CEO Sandile Nomvete said yesterday the private placement on the JSE would reduce the fund's gearing levels and allow it to diversify. But "more importantly, it would be a huge growth story for us".

The fund aimed to grow the value of its portfolio from R2.1bn to R7bn by 2017, Mr Nomvete said. The "aggressive growth strategy" included a focus on specific properties

over the next 24 months.

The fund is set to list up to 119,512,595 linked units in the real estate holdings and development sector of the JSE's main board at R8.20 per linked unit, raising up to R980m.

Delta's portfolio consists of 20 office buildings across SA in nodes attractive to various government departments and the South African Revenue Service.

Delta's chief financial officer, Bronwyn Corbett, said yesterday that the fund would focus on parastatals, including Telkom and Transnet, as well as smaller retail assets in its diversification strategy. The long-term strategy was to have

60% government-tenanted assets and 40% private-tenanted.

The fund would maintain its core focus on government-tenanted assets. In times when the private sector was weak, "government provides a good sovereign underpinning" and government-tenanted assets also provided escalations at levels above the private sector, Ms Corbett said.

Delta said prior to the opening of the private placement, it had received irrevocable precommitments from investors for an aggregate amount of R970m, of which R850m worth of linked units at the listing price was accepted.

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