



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: LM175Sep18

In the matter between

Vukile Property Fund Limited

Primary Acquiring Firm

And

**Sasol Pension Fund, in respect of the letting
enterprise known as Kolonnade Retail Park**

Primary Target Firm

Panel	: Norman Manoim (Presiding Member)
	: Andiswa Ndoni (Tribunal Member)
	: Halton Cheadle (Tribunal Member)
Heard on	: 10 October 2018
Order Issued on	: 10 October 2018
Reasons Issued on	: 29 October 2018

REASONS FOR DECISION

Approval

- [1] On 10 October 2018, the Competition Tribunal ("Tribunal") unconditionally approved the proposed transaction involving Vukile Property Fund Limited ("Vukile") and Sasol Pension Fund ("Sasol PF"), in respect of the letting enterprise known as Kolonnade Retail Park ("Target Property"), hereinafter collectively referred to as the merging parties.
- [2] The reasons for approval of the proposed transaction follow.

Parties to the transaction

Primary Acquiring Firm

- [3] Vukile is a real estate investment company listed on the Johannesburg Security Exchange. The shares in Vukile are widely dispersed and as such no single shareholder controls Vukile. Vukile controls are number of firms in South Africa, Namibia and Spain.
- [4] Vukile's property portfolio comprises of retail, industrial and office space; as well as land under development. Of relevance, are Vukile's retail properties situated in Johannesburg and Pretoria.

Primary Target Firm

- [5] Sasol PF is the sole owner of the Target Property. The Target Property is a minor regional shopping centre located in Montana Park, Pretoria.

Proposed transaction

- [6] In terms of the *Agreement of Sale of Letting Enterprise*, Vukile will acquire the Target Property from Sasol PF. Post-merger, Vukile will own and control the Target Property.

Impact on competition

- [7] The Competition Commission ("Commission") considered the activities of the merging parties and found a horizontal overlap in the market for the provision of rentable space in comparative centres.¹
- [8] The Commission found no geographical overlap between the comparative centres owned by the merging parties. The Commission communicated with property management companies which indicated that retail properties that compete with Target Property are located within a 20km radius. Those properties include Menlyn

¹ Comparative centres include minor regional centres, major regional centres and super regional centres.

Park, Montana Crossing, and Hatfield Plaza. Any property located beyond 20km cannot be considered a competitor of the Target Property.

- [9] The nearest property owned by Vukile is located 32km away from the Target Property. Given the distance between the merging parties' properties and the fact that merging parties do not compete with one another, the Commission concluded that proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market. We concur with this conclusion.

Public interest

- [10] The merging parties confirmed that that the proposed transaction will not have any negative effects on employment in South Africa.

- [11] The proposed transaction raises no other public interest concerns.

Conclusion

- [12] In light of the above, we conclude that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market. In addition, no public interest concerns arise from the proposed transaction. Accordingly, we approve the proposed transaction unconditionally.



Mr Norman Manoim

29 October 2018

Date

Ms Andiswa Ndoni and Mr Halton Cheadle concurring.

Tribunal Researcher: Hlumelo Vazi

For the merging parties: A Aukema of Cliffe Dekker Hofmeyr Inc

For the Commission B Mabatamela and T Mahlangu