

COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: LM031Jun21

In the matter between:

Maitlantic 10 (Pty) Ltd

Primary Acquiring Firm

And

Emira Property Fund Ltd

Primary Target Firm

Panel: E Daniels (Presiding Member)
I Valodia (Tribunal Member)
T Vilakazi (Tribunal Member)

Heard on: 19 August 2021
Order Issued on: 19 August 2021
Reasons Issued on: 19 August 2021

ORDER

Further to the recommendation of the Competition Commission in terms of section 14A(1)(b) of the Competition Act, 1998 (“the Act”) the Competition Tribunal orders that—

1. the merger between the abovementioned parties be approved in terms of section 16(2)(a) of the Act; and
2. a Merger Clearance Certificate be issued in terms of Competition Tribunal Rule 35(5)(a).

Enver Daniels

**Presiding Member
Mr Enver Daniels**

19 August 2021

Date

Concurring: Prof Imraan Valodia and Dr Thando Vilakazi



competitiontribunal
SOUTH AFRICA

Merger Clearance Certificate

Date : 19 August 2021

To : Adams and Adams Attorneys

Case Number: LM031Jun21

Maitlantic 10 (Pty) Ltd And Emira Property Fund Ltd

Notice CT 10

About this Notice

This notice is issued in terms of section 16 of the Competition Act.

You may appeal against this decision to the Competition Appeal Court within 20 business days.

You applied to the Competition Commission on **10 June 2021** for merger approval in accordance with Chapter 3 of the Competition Act.

Your merger was referred to the Competition Tribunal in terms of section 14A of the Act, or was the subject of a Request for consideration by the Tribunal in terms of section 16(1) of the Act.

After reviewing all relevant information, and the recommendation or decision of the Competition Commission, the Competition Tribunal approves the merger in terms of section 16(2) of the Act, for the reasons set out in the Reasons for Decision.

This approval is subject to:

no conditions.

the conditions listed on the attached sheet.

The Competition Tribunal has the authority in terms of section 16(3) of the Competition Act to revoke this approval if

- a) it was granted on the basis of incorrect information for which a party to the merger was responsible.
- b) the approval was obtained by deceit.
- c) a firm concerned has breached an obligation attached to this approval.

Contacting the Tribunal

The Competition Tribunal
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The Registrar, Competition Tribunal

COMPETITION TRIBUNAL OF SOUTH AFRICA

Case no: LM031Jun21

Maitlantic 10 (Pty) Ltd (Primary Acquiring Firm)
And
Emira Property Fund Ltd (Primary Target Firm)

Heard on: 19 August 2021

Order Issued on: 19 August 2021

REASONS FOR DECISION

- [1] On 19 August 2021, the Competition Tribunal unconditionally approved a large merger between Maitlantic 10 (Pty) Ltd (“Maitlantic”) and Emira Property Fund Ltd (“Emira”).
- [2] Maitlantic is controlled by I Group Consolidated Holdings (Pty) Ltd (“IGCH”), which is in turn wholly owned by I Group Investments (Pty) Ltd (“IGI”). IGI is a subsidiary of I Group Investment Trust (“IGIT”) and is controlled by its trustees. Maitlantic does not control any firm, while IGIT controls several subsidiaries.¹ Of relevance to the proposed transaction is IGIT’s shareholding in Collins Property Projects (Pty) Ltd (“Collins”).²
- [3] Emira is listed on the JSE and its shares are widely held. Emira is currently comprised of two registered broad-based black economic empowerment (“BBBEE”) shareholders, namely, Luxiano Trading 157 (Pty) Ltd and Tamela Property Investments (Pty) Ltd, who collectively hold 5% of Emira shares.³
- [4] The Acquiring Group is a property holding company whose property portfolio comprises retail, office, residential and industrial properties throughout South Africa.
- [5] Emira is a real estate investment trust which invests in a diversified portfolio of commercial and retail assets in major metropolitan areas across South Africa.
- [6] Pre-merger the Acquiring Group holds an interest of approximately 35% in Emira. The Acquiring Group has made a mandatory offer to acquire the entire balance of the shares in Emira.⁴
- [7] The merging parties’ activities overlap horizontally as regards retail, office, industrial and residential properties in Gauteng, KZN, Western Cape and Eastern Cape. However, the Commission was of the view that there is no horizontal overlap regarding

¹ IGIT and all the firms controlled by it will collectively be referred to as the I Group or “Acquiring Group”.

² The Commission noted that in 2019, the Acquiring Group acquired a 25.7% interest in Collins, without notification to the Commission. The Commission is still separately investigating the Collins transaction but has included Collins’ activities as part of the Acquiring Group in its assessment in order to accommodate a worst-case scenario.

³ Emira and its subsidiaries will collectively be referred to as the “Target Group”.

⁴ Two Emira shareholders – namely Luxiano Trading 157 (Pty) Ltd and Tamela Property Investments (Pty) Ltd – have provided irrevocable undertakings that they will reject the mandatory offer.

their residential properties as the Acquiring Group's residential properties are situated in Western Cape and Eastern Cape only, while the Target Group's residential activities are confined to Gauteng. The Commission further noted that almost all the horizontal overlaps arise due to the inclusion of Collins as part of the Acquiring Group. If Collins is excluded from the Acquiring Group, the horizontal overlaps are limited to Pretoria CBD where the merging parties own convenience centres within the same catchment area and in Cape Town through their jointly owned convenience centre named Mitchells Plain Town Centre.

Retail property

- [8] The Commission did not conclude on a definite market definition but assessed the following retail markets:
- 8.1. The provision of rentable space in convenience centres within a 10km radius of the Tramshed, located in Pretoria CBD, Gauteng Province;
 - 8.2. The provision of rentable space in convenience centres within a 10km radius of Park Boulevard located in Durban North, KZN Province;
 - 8.3. The provision of rentable space in convenience centres within a 10km radius of Park Boulevard located in Umhlanga, KZN Province;
 - 8.4. The provision of rentable space in convenience centres within a 10km radius of Nquthu (Manzolwandle), located in Nquthu, KZN Province;
 - 8.5. The provision of rentable space in convenience centres within a 10km radius of Nongoma Shopping Centre, located in Nongoma, KZN Province;
 - 8.6. The provision of rentable space in convenience centres within a 10km radius of Matatiele Centre located in Matatiele, Eastern Cape Province; and
 - 8.7. The provision of rentable space in the convenience centre in Mitchell's Plein, located in Cape Town, Western Cape Province.

Office Property

- [9] In line with Tribunal case law and guidance from South African Property Owners Association ("SAPOA"), the Commission assessed the market for the provision of rentable Grade A office properties within the Umhlanga/La Luca office node, within KZN Province.

Light industrial property

- [10] The Commission assessed the effects of the proposed transaction in the following light industrial property markets:
- 10.1. The provision of rentable space in light industrial property within Epping/Airport/Langa and Goodwood/Parrow/Belville nodes;
 - 10.2. The provision of rentable space in light industrial property within the Pinetown/New Germany nodes;
 - 10.3. The provision of rentable space in light industrial property within a broader market encompassing the Durban North, Springfield Park, North Coast and Riverhorse nodes;
 - 10.4. The provision of rentable space in light industrial property within a broader node encompassing the adjacent Germiston and Kempton Park nodes;
 - 10.5. The provision of rentable space in light industrial property within a broader node encompassing the adjacent Midrand and Centurion nodes; and
 - 10.6. The provision of rentable space in light industrial property within a broader node encompassing the adjacent Sandton/Randburg and Roodepoort nodes.
- [11] The Commission was of the view that the proposed merger is unlikely to substantially prevent or lessen competition due to the low market shares, market share accretion across markets, and the fact that the parties will continue to face competition from other players post-merger.
- [12] The merger raises no public interest concerns.

[13] We concluded that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market, or to have a negative impact on public interest.

Mr Enver Daniels
Prof Imraan Valodia and Dr Thando Vilakazi concurring.

19 August 2021

Date

Tribunal Case Manager:
For the Merging Parties:
For the Commission:

Camilla Mathonsi
Misha van Niekerk of Adams & Adams Attorneys
Wiri Gumbie and Rakgole Mokolo