

**COMPETITION TRIBUNAL OF SOUTH AFRICA**

**Case no: LM063Aug21**

**Equites Property Fund Limited** (Primary Acquiring Firm)

And

**Attacq Waterfall Investment Company (Pty) Ltd** in respect of undivided half share interests in the properties known as **Amrod, Massmart and Cotton-On** (Primary Target Firm)

Heard on: 29 September 2021

Order Issued on: 29 September 2021

Reasons Issued on: 05 October 2021

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**REASONS FOR DECISION**

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- [1] On 29 September 2021, the Competition Tribunal (“Tribunal”) unconditionally approved a large merger whereby Equites Property Fund Limited (“Equites”) intends to acquire undivided half share interests in the properties known as Amrod, Massmart and Cotton-On (“Target Enterprises”) from Attacq Waterfall Investment Company (Pty) Ltd (“Attacq Waterfall Investment”). Post-merger, Equites will hold undivided half share interests in the properties known as Amrod, Massmart and Cotton-on. Equites and Attacq Waterfall Investment will both exercise joint control over the Target Enterprises.
- [2] Equites is not controlled by any single firm but directly and indirectly controls several firms.<sup>1</sup> The Acquiring Group is a listed Real Estate Investment Trust (“REIT”) with a focus on owning and developing modern logistics properties let to A-grade tenants. The Acquiring Group owns numerous rentable light industrial properties in South Africa.
- [3] The Primary Target Firm is Attacq Waterfall Investment in respect of undivided half share interests in the Target Enterprises. The Target Enterprises do not control any firms and can be described as follows:
- 3.1. the Amrod Rental Enterprise which is a logistics property that is located at Old Pretoria Road (K101) and Beatty Road, Waterfall District, Midrand and comprises 38,455 square metres of rentable industrial, warehousing and distribution space. The only tenant occupying the above space is Acorp Gifts (Pty) Ltd;
  - 3.2. The Massmart Rental Enterprise which is a light industrial property that is located at the corner of Bridal Veil Road and Lisbon Lane, Waterfall City, Midrand and comprises 36,803 square metres of rentable industrial, warehousing and distribution space. The only tenant occupying the above space is Builders, a division of Massmart Retail (Pty) Ltd.
  - 3.3. The Cotton-On Property which constitutes undeveloped land that is located at the corner of Bridal Veil Road and Howick Avenue, Waterfall City, Midrand and comprises 35,310 square metres of rentable industrial, warehousing and distribution space. Once developed, the property will be light industrial property

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<sup>1</sup> Equites and all its subsidiaries will collectively be referred to as the “Acquiring Group.”

space. The only tenant who will ultimately occupy the above space once the building is completed is Cotton-On South Africa (Pty) Ltd.

- [4] The Competition Commission (“Commission”) considered the activities of the merging parties and found that the proposed transaction results in a horizontal overlap in the provision of rentable light industrial properties. This is because the Target Enterprises are rentable light industrial properties, and the Acquiring Group has numerous rentable light industrial properties. The Target Enterprises as well as the Acquiring Group’s numerous rentable light industrial properties are situated in the Gauteng Province.
- [5] The Commission assessed a market for the provision of rentable light industrial properties within a 15km radius from the Target Enterprises (Midrand) and found that the merged entity will have a combined post-merger market share of less than 10% with an accretion of less than 1% in the relevant market based on the total Gross Lettable Area (GLA) in the Midrand node in Gauteng.
- [6] Based on the above, the Commission found that the proposed transaction is unlikely to significantly alter the structure of the relevant market. Further, there are alternative rentable light industrial properties within 15km of the Target Enterprises in Midrand and surrounding areas. As such, the Commission was of the view that the proposed transaction is unlikely to lead to a substantial prevention or lessening of competition in any relevant market.
- [7] The proposed transaction does not raise any public interest concerns.
- [8] We conclude that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market. Furthermore, it raises no public interest concerns.

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**Mr Enver Daniels**  
**Prof Imraan Valodia and Mr Halton Cheadle concurring**

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**05 October 2021**

**Date**

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

Camilla Mathonsi  
Vani Chetty of Vani Chetty Competition Law (Pty) Ltd  
Zintle Siyo and Themba Mahlangu