



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: LM191Mar25

In the matter between:

Sasol Pension Fund

Primary Acquiring Firm

And

Westlake View C/O West Property Fund (Pty) Ltd

Primary Target Firm

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| Panel: | T Vilakazi (Presiding Member) G Budlender (Tribunal Member) A Ndoni (Tribunal Member) |
| Heard on: | 15 April 2025 |
| Decided on: | 16 April 2025 |
| Reasons Issued on: | 19 May 2025 |

REASONS FOR DECISION

Introduction

- [1] On 16 April 2025, the Competition Tribunal (“Tribunal”) unconditionally approved the large merger in which Sasol Pension Fund (“Sasol Fund”) intends to acquire a 50% undivided share in an immovable property (and the rental enterprise carried out thereon) known as “Westlake View” (“the Target Property”) from West Property Fund Proprietary Limited (“West Property Fund” or “the Seller”).
- [2] West Property Fund holds a 100% undivided share in the immovable property (and the rental enterprise carried out thereon). Pursuant to the proposed transaction, West Property Fund will cease to exercise sole control over the

Target Property, which will thereafter be subject to joint control by West Property Fund and the Sasol Fund.

Parties and activities

- [3] The primary acquiring firm, Sasol Fund¹ is one of several retirement provision options for employees of the Sasol Group (and its affiliates) within the Republic of South Africa.² Sasol Fund is not controlled by any external entity.
- [4] The Sasol Fund's assets are invested in a variety of asset classes in accordance with the Rules of the Fund and the Pension Fund Act, within the guidelines set out in the Fund's Investment Policy Statement. Direct property is amongst the variety of asset classes in which the Sasol Fund invests.
- [5] The Sasol Fund has historically developed and owned several large commercial assets. Of relevance for the proposed transaction for the geographic market assessment below, is the industrial/logistics property situated in Richwood, Cape Town in respect of which the Sasol Fund has an interest, which is approximately 1410 kilometres from the Target Property.
- [6] The Sasol Fund and West Property Group co-own and jointly control the rental enterprises known as the Getworth and Zest sites situated at Richmond Park Development. This acquisition was notified and approved unconditionally on 21 May 2024.³
- [7] The primary target firm is West Property Fund, the Seller, in respect of the immovable property (and the rental enterprise carried out thereon) situated at 8 Avalon Road, Johannesburg, Gauteng.

¹ Sasol Fund is registered as a Type-B Umbrella Fund in terms of the Pension Funds Act No. 24 of 1956.

² Umbrella funds are grouped into type A and type B umbrella funds. Type-A umbrella funds are commercial umbrella funds, which require main and special rules and provisions specific to each participating employer. Type-B umbrella funds only have main rules; the rules have equal application to all employers. These are usually industry/sector-specific funds with the result that only employers who participate in the industry/sector may or must participate in a particular fund, for example, Bargaining Council funds.

³ Commission Case Number 2024Apr0027.

- [8] West Property Fund is an investment property holding company and forms part of the West Property Group, which has property interests in both South Africa as well as the United Kingdom.

Description of the transaction and rationale

- [9] In terms of the proposed transaction, the Sasol Fund wishes to acquire a 50% undivided share in the Target Property known as Westlake View from West Property Fund.
- [10] As noted above, the Seller and the Sasol Fund will exercise joint control over the Target Property, post-merger.
- [11] The proposed transaction presents the Seller with an opportunity to redeploy capital for other investment opportunities and to de-gear its balance sheet. On the other hand, Sasol Fund submits that the Target Property falls under its direct property investment strategy of acquiring industrial assets, specifically in the logistics sector, in Gauteng.

Competition assessment

- [12] The merging parties submitted that the Target Property should be categorised as a light industrial property, and that the relevant market to be considered is the market for the holding and management of rentable light industrial properties.⁴ This in line with case precedent wherein the market for the provision of industrial properties can be divided into two categories: light and heavy industrial properties.

⁴ See *K2012150042 (South Africa) (Pty) Ltd/ Old Mint (Pty) Ltd in respect of its ownership and direct control of the Target Property, Old Mint Industrial Park*, Tribunal Case No. LM076Aug23, wherein the market for the provision of industrial properties can be divided into two categories, namely light and heavy industrial properties. The Tribunal has found in *Primegro Properties Limited/ Growthpoint Properties Limited and others*, Tribunal Case No. 29/LM/Jun03, that light industrial property can include logistics and/or warehouse space.

- [13] In relation to the geographic market, and in line with previous decisions of the Tribunal⁵, the merging parties submitted that the relevant geographic market should be defined with respect to a 15 km radius from the Target Property. The Commission found that there is no geographic overlap between the properties of the merging parties in the relevant market, and that the Target Property will continue to face competition from several other players in the defined market.
- [14] The Commission also conducted a creeping merger assessment and found that the only industrial properties acquired by the Sasol Fund in the last 5 years are the Getworth and Zest properties which they co-own with West Property Group. No further competition concerns arose from this assessment.

Conclusion on competition assessment

- [15] In light of the above, we concluded that the proposed transaction is unlikely to lead to a substantial prevention or lessening of competition in any relevant market.

Public interest assessment

Employment

- [16] The merging parties provided an unequivocal undertaking that the proposed transaction will not have adverse effects on employment.
- [17] The Target Property is currently managed by West Manco Proprietary Limited (a wholly owned subsidiary of West Property Group) and will continue to be managed by this firm following implementation of the proposed transaction.

⁵ See *Equities Property Fund Ltd/ Retail Logistics Fund (Pty) Ltd*, Tribunal Case No. LM038Jun20; *EA Waterfall Logistics JV (Pty) Ltd/ Truzen 116 Trust*, Tribunal Case No. LM058Jul20; *Unico Property Partners/ Khumoneti*, Tribunal Case No. LM154Dec22, wherein the relevant geographic market in respect of light industrial property was found to comprise a 15 km radius from the target properties.

- [18] The Sasol Fund's employees are not represented by any trade unions. The staff in the Sasol Fund, who manage the existing direct property portfolio, are aware of the proposed transaction and raised no queries or concerns.
- [19] We accepted the merging parties' submissions and find that the proposed transaction is unlikely to raise any employment concerns.

Promotion of a greater spread of ownership by HDPs and workers in firms in the market

- [20] The merging parties submitted that there will be an increase in the ownership by historically disadvantaged individuals following implementation of the proposed transaction in light of the fact that the Seller does not have any ownership by historically disadvantaged persons ("HDPs"). In this regard, the Commission found that Sasol Fund's B-BBEE status is the same as that of Sasol Limited, such that it has black ownership of [REDACTED].
- [21] In the circumstances, we concluded that no further intervention is required.
- [22] No other public interest issues arise from the proposed transaction.
- [23] No third party expressed any further concerns regarding the proposed transaction.

Conclusion

- [24] For the reasons set out above, we are satisfied that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market. Furthermore, the proposed transaction raises no public interest concerns.
- [25] We therefore approve the proposed transaction without conditions.

Signed by: Thando Vilakazi
Signed at: 2025-05-19 16:09:35 +02:00
Reason: Witnessing Thando Vilakazi

Thando Vilakazi

19 May 2025

**Presiding Member
Prof. Thando Vilakazi**

Date

Ms. Andiswa Ndoni and Adv. G Budlender SC concurring.

Tribunal Case Managers: Karabo Orekeng and Sinethemba Mbeki

For the Merger Parties: Misha Van Niekerk of Adams & Adams

For the Commission: Nolubabalo Myoli and Grashum Mutizwa