

COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: LM076Jul24

In the matter between:

Future Indefinite Investments 180 (Pty) Ltd

Primary Acquiring Firm

And

The Trustees for the time being of The Truzen 55
Trust in respect of the rental enterprise known as
140 North Reef Road

Primary Target Firm

REASONS FOR DECISION

1. On 18 September 2024, the Competition Tribunal ("Tribunal") conditionally approved the large merger in terms of which Future Indefinite Investments 180 Proprietary Limited ("Future Indefinite") intends to acquire a rental enterprise known as 140 North Reef Road (the "Target Property") from The Truzen 55 Trust.
2. The Target Property is a light industrial A-grade and B-grade office property situated at 140 North Reef Road, Rietfontein, Germiston, and has a total gross lettable area (GLA) of 46 366.51m² (38 292m² of light industrial and 8 074.17m² office space).
3. The Competition Commission ("Commission") assessed the competition effects of the proposed transaction in the (potential) relevant markets for the provision of –
 - 3.1. light industrial property with a GLA of less than 25 000m² within Rietfontein, Germiston and immediate surrounds ("broad market"); and
 - 3.2. large light industrial property with a GLA of more than 25 000m² in Germiston and surrounding areas (namely Boksburg, Centurion, Kempton Park and Midrand) ("narrow market").
4. The Commission found that the merged entity will continue to be constrained by numerous alternatives in both the narrow and broad markets. We concur with the Commission that the proposed transaction is unlikely to result in any substantial prevention or lessening of competition in any relevant market.
5. The merging parties confirmed that the proposed transaction will not have any adverse impact on employment. In particular, there will be no retrenchments or job losses that will arise from the proposed transaction.
6. Neither of the merging parties have any ownership by Historically Disadvantaged Persons ("HDPs").

7. The merging parties tendered that the Acquiring Group will procure a once-off solar panel installation at the Target Property from an HDP-owned supplier.
8. In the circumstances, the Tribunal approved the proposed transaction subject to the following:
 - 8.1. Future Indefinite undertakes to procure solar panel installation at the Target Property with (an) appropriate HDP owned service provider(s) to the value of no less than R600,000.00, excluding VAT, within 24 months of the implementation date of the proposed transaction.
 - 8.2. Future Indefinite must disburse the abovementioned amount within 24 months of the implementation date of the proposed transaction. This may include costs incurred in relation to post-installation maintenance of the solar panel installation, to the extent reasonably required, during 24 months of the implementation date of the proposed transaction.

Presiding Member
Mr Andreas Wessels

01 October 2024

Date

Concurring: Prof. Imraan Valodia and Adv. Anisa Kessery