

**COMPETITION TRIBUNAL
REPUBLIC OF SOUTH AFRICA**

Case No.: LM190Mar25

In the matter between:

Government Employees Pension Fund
represented by the Public Investment
Corporation SOC Limited and
NCS Property Proprietary Limited

Primary Acquiring Firm

And

A portfolio of property rental enterprises
situated within Century City

Primary Target Firm

Panel:	T Vilakazi (Presiding Member)
:	A Ndoni (Tribunal Member)
:	G Budlender (Tribunal Member)
Heard on:	30 April 2025
Order issued on:	30 April 2025
Reasons issued on:	28 May 2025

REASONS FOR DECISION

[1] On 30 April 2025, the Competition Tribunal ("Tribunal") unconditionally approved a large merger involving two indivisible transactions, in terms of which; (i) Government Employees Pension Fund ("GEPF") wishes to acquire [25 – 35]% of the undivided co-ownership rights in 14 property rental enterprises in Century City, Cape Town ("Target Properties")¹ and (ii) NCS Property Proprietary Limited ("NCS

¹ Crystal Towers Hotel, Century City Hotel, Century City Conference Centre, P1–P4 Parking Structures,

Property") wishes to acquire [15 – 25]% of the Target Properties. Post- merger, GEPF and NCS Property will jointly hold [45 – 55]% of the Target Properties.

[2] GEPF owns several properties in the Western Cape. Relevant to the proposed transaction is its 50% stake in V&A Waterfront Holdings (Pty) Ltd. Through this stake, GEPF has interests in eight 4- and 5-star hotels and six Grade-P office spaces in the Western Cape. It does not have control over any standalone conference centres.

[3] NCS Property is controlled by [...] ([...]) [...] ([...]). [...] is wholly owned by the [...]. [...] is controlled by [...]. NCS Property was incorporated for the purposes of the proposed transaction and does not control any firms. However, its holding company, [...], controls two relevant entities: [...] ([...]) and [...] ([...]).

[4] The primary target firm is the Century City Property Investment Trust ("CCPIT") in respect of the Target Properties. The Target Properties are owned by different entities: CCPIT, which wholly owns the CCPIT Properties, and holds [...] % stakes in both Bridge Park (with Growthpoint) and The Business Centre (with [...]). The Annex is fully owned by the [...], and [...] is fully owned by [...]. CCPIT also has a stake in [...] ([...]), [...] ([...]), and [...] ([...]). Growthpoint controls several companies locally and internationally. In contrast, the Annex [...], and [...] do not control any other firms.

Competition assessment

[5] The Commission identified horizontal overlaps in the markets for (i) 4- and 5-star hotel accommodation, and (ii) Grade-P office space.

Hotel accommodation

[6] In the market for the provision of 4- and 5-star hotel accommodation, the

No. 3 Bridgeways, Sable Park, Sable Corner, Bridgewater One Block 1, The Annex, Apex, Bridge Park, and The Business Centre.

Commission relied on *The Cullinan Hotel/The Businesses*² and *Dubai/Kerzner*³, where the Tribunal accepted the market for the provision of 5-star hotel accommodation as a relevant product market.

[7] In respect of the geographic market, the Commission relied on *Liberty Group/Melrose Arch*⁴, wherein the Tribunal accepted the use of a geographic radius of 6km to delineate the dimensions of the geographic market, and in *Dubai/Kerzner*, wherein the Tribunal accepted the Commission's use of a geographic radius of 5km.

[8] The Commission found that the GEPF and NCS Property do not own any 4- or 5-star hotels in Century City. For the proposed transaction, we need not conclude on the precise delineation of the product and geographic markets related to hotel accommodation, save to note prior findings⁵ that 4- and 5-star hotel accommodation likely exert a competitive constraint on one another although this is assessed on a case-by-case basis.

[9] We are satisfied that there is no geographic overlap between the merging parties' hotels, which are over 11km apart, and there are low combined market shares in both narrow and broader markets. Moreover, there has been significant market entry since 2021, there are several significant competitors in the market that are likely to compete with the merging parties, and there were no concerns raised by competitors.

Grade-P office space

[10] In the market for the provision of Grade-P office property, the Commission relied on *Primegro/Growthpoint*⁶ and *Momentum/Bonatla*⁷, where the Tribunal has

² The Cullinan Hotel Pty Ltd and The Businesses and underlying properties of the Sandton Sun, The Intercontinental Sandton Towers, the Garden Court Sandton City and the Rental Enterprises in respect of the Sandton Convention Centre and Virgin Active (Case No: LM110Sep16) (*"The Cullinan Hotel/The Businesses"*).

³ The Investment Corporation of Dubai and Kerzner International Holdings Limited (Case No: LM146Jul18) (*"Dubai/Kerzner"*).

⁴ Liberty Group Limited and Melrose Arch Investment Holdings (Pty) Ltd (Case No: 018960), (*"Liberty Group/Melrose Arch"*).

⁵ *The Cullinan Hotel/The Businesses*, *Dubai/Kerzner* and *Liberty Group/Melrose Arch*.

⁶ Primegro Properties Limited and Growthpoint Properties Limited (Case No: 29/LM/Jun03) (*"Primegro/Growthpoint"*).

recognised office property as segmented into Grades P, A, B, and C. In line with *Redefine/Pivotal*⁸, *Redefine/Setso*⁹, and *Capitec/Spear*¹⁰, the Commission identified Grade-P office space as the relevant product market.

[11] In respect of the geographic market, the Commission relied on *Primegro/Growthpoint* and SAPOA Reports, which define localised nodes such as Century City. In *Capitec/Spear*, Century City was accepted as the relevant geographic market.

[12] The Commission found that neither GEPF nor NCS Property owns Grade-P office space in the Century City node. GEPF's nearest Grade-P office property is in the Waterfront node, about 11km away. Therefore, there is no geographic overlap between the merging parties' Grade-P office holdings.

Public interest assessment

[13] The Commission found that the proposed transaction will not lead to job losses or negatively affect the working conditions of staff at Target Properties, who are not employed by the merging parties. We find that the transaction is unlikely to raise employment concerns and does not raise any other public interest concerns.

Conclusion

[14] We conclude that the proposed transaction is unlikely to lead to a substantial prevention or lessening of competition in any relevant market, and the proposed merger does not raise any public interest concerns.

[15] In the circumstances, we unconditionally approve the proposed merger.

⁷ Momentum Property Investments and Bonatla Property Holdings Limited (Case No: LM099Sep16) (*"Momentum/Bonatla"*).

⁸ Redefine Property Limited and Pivotal Fund Limited (Case No: LM099Sep16) (*"Redefine/Pivotal"*).

⁹ Redefine Properties Limited v Setso Property Fund (Pty) Ltd (Case No: LM070Jul22) (*"Redefine/Setso"*).

¹⁰ Capitec Bank Ltd and Spear Reit Ltd on Behalf of the Immovable Property and Rental Enterprise Known as The Liberty Life Office Building (Case No: LM011Apr23) (*"Capitec/Spear"*).

Signed by: Thando Vilakazi

Signed at: 2025-08-29 13:08:14 +02:00

Reason: Witnessing Thando Vilakazi

28 May 2025

Prof. Thando Vilakazi

Date

Ms Andiswa Ndoni and Geoff Budlender SC concurring.

Tribunal Case Manager: Moleboheng Mhlati

For the Merger Parties: Dominique Arteiro and Annabel Morphet of Werksmans

For the Commission: Noorjahaan Khaki, Tshehla Mathe and Grashum Mutizwa