COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 28/LM/Apr11

In the matter between:

Resilient Properties (Pty) Ltd	**Acquiring Firm**
And	
Casadobe Props 75 (Pty) Ltd	**Target Firm**

Panel	:	Norman Manoim (Presiding Member) Andreas Wessels (Tribunal Member) Yasmin Carrim (Tribunal Member)
Heard on	:	08/06/2011
Order issued on	:	08/06/2011
Reasons issued on	:	28/06/2011

Reasons for Decision

APPROVAL

1] On 08 June 2011 the Competition Tribunal ("Tribunal") unconditionally approved the proposed property transaction involving Resilient Properties and Casadobe Props. The reasons for approval of the proposed transaction follow below.

THE TRANSACTION AND RATIONALE

2] This is a property merger involving the sale of a single property, being a shopping centre known as the Grove Mall situated in Equestria, Pretoria. In terms of the proposed transaction, the primary acquiring firm, Resilient Properties (Pty) Ltd ("Resilient") which has an existing stake of 50% in the Grove Mall, intends to acquire the remaining 50% which is owned by the primary target firm, Casadobe Props 75 (Pty) Ltd ("Casadobe").

3] Essentially the transaction is a move from joint to sole control, pursuant which

Resilient will have sole control over the Grove Mall.

4] Resilient is a property investment company which is mainly active in the rental of property market for retail space throughout South Africa. Resilient however does not own any rentable retail space in Equestria Pretoria, except its 50% share in the Grove Mall. Casadobe is also a property investment company active in rentable retail space.

5] For Resilient the proposed transaction is in line with its future expansion goal to increase its ownership profile. Casadobe wishes to dispose of its 50% share in the Grove Mall as it prefers to be autonomous with unfettered discretion to make its decisions. Further, the proposed transaction is an opportunity for Casadobe to realise its investment as it requires cash to re-invest in other developments.

COMPETITION ASSESSMENT

6] The merger gives rise to a horizontal overlap in respect to the provision of rentable retail space at the Grove Mall. The Grove mall is categorised as a minor regional centre. The merging parties and the Commission described the relevant product market as the market for provision of minor rentable retail space for minor regional shopping centre based on a previous Tribunal decision[1], and the relevant geographic market as Equestria node based on the type and size of the property[2].

7] The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition as it will not change the structure of the market given that it is merely a change from joint to sole control. Hence there is no market share accretion as a result of the merger. The Commission also found that there are other shopping centres within 20 kilometres from Equestria node which are not owned by the merging parties, and which compete with the Grove mall.

8] This merger does not give rise to any vertical effects.

PUBLIC INTEREST

9] No public interest issues arise from the proposed transaction.

1 See ***Accucap Investment Pty Ltd and Old Mutual Life Assurance Company Case No.: 51/LM/Jul09***.
2 See ***Government Employees Pension Fund and Denel (Pty) Ltd 42/LM/May02***.

CONCLUSION

10] Based on the above we conclude that it is unlikely that the proposed merger would lead to a substantial prevention or lessening of competition in the property market. Accordingly the proposed deal is approved unconditionally.

28/06/2011

N Manoim Date

Y Carrim and A Wessels concurring

Tribunal Researcher:	Londiwe Senona
For the merging parties:	Vani Chetty Competition Law
For the Commission:	Dineo Mashego