Gemgrow set to buy retail portfolio

By Alistair Anderson   18 May 2017

Recently listed Gemgrow Properties, a specialist high-yielding, high-growth real estate investment trust, is set to make its maiden transaction by buying a retail portfolio in Makhado.

© pixelbliss – 123RF.com

The group has agreed to acquire a portfolio comprising three properties in Makhado in Limpopo for R330m.

Gemgrow was formed out of the consolidation of Synergy Income Fund and Cumulative Properties. Cumulative was formed when Arrowhead Properties spun out its smaller assets into a separate company.

The acquisitions were in line with the company's stated objective of being a highyielding, high-growth fund with a portfolio of retail, industrial and office assets.

"We're pleased to announce the acquisition of the predominantly retail portfolio. These retail assets are placed in areas with high footfall and a strong consumer presence.

"These properties will deliver sustainable and measurable income growth with long leases in place with national retail tenants. We are hoping to deliver further accretive acquisitions of a similar nature for our shareholders in the near future," said chief operating officer Alon Kirkel.

The three properties are Checkers Centre, Hawama Noor Centre, and Shoprite and Noor Centre. The transaction is still subject to the fulfillment of certain conditions.

"We believe we are in a unique position to consolidate the high-yielding properties in the market through yieldaccretive acquisitions. This is a good example of the transactions we are able to conclude.

"We intend to manage risk through aggressive growth and diversification across the country and sectors," said Gemgrow chief financial officer Junaid Limalia.

Gemgrow's plan has been to buy properties valued at about R100m and less. It is hoping to attract investors seeking specialised funds, saying its specialisation is related to the size of the properties in which it invests.

Source: Business Day

For more, visit: https://www.bizcommunity.com