

Capital Property and Ascension agree on sale

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Retail, corporate and industrial property unit trust Capital Property Fund (CPL) on Tuesday, 18 September 2012, announced it had agreed to sell a portfolio of property letting enterprises to Ascension Properties (AIA) for R989 million.



Capital said the sale is in line with its strategy to focus on "A-grade industrial properties and offices" and to reduce its holding of non-core properties that do not fit this strategy.

"It is Capital's intention to unbundle the consideration units to Capital unitholders subject to the requisite approvals being obtained from regulators and from Capital's unitholders after the date of transfer. Capital will use its best endeavours to unbundle the consideration units to its unitholders after the date of transfer," Capital said in a JSE Sens statement on Tuesday.

It said the funds realised through the sale will be utilised by Capital to repay interest-bearing borrowings.

Ascension said this proposed sale is in line with its strategy to grow its property portfolio by at least R1 billion per annum to achieve its goal of becoming a multi-billion Rand company over the next few years.

"If the acquisitions are successfully concluded, Ascension will have a total property portfolio valued at approximately R2.2 billion," Ascension said.

The portfolio consists of various office sites in Meyersdal, Constantia Kloof in Johannesburg and in Cape Town. The proposed sale is subject to various conditions.