

# Ascension surpasses its own growth targets

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1 Sep 2014

Office-focused landlord Ascension Properties said it had beaten its portfolio growth target in its year ended June, with its property portfolio growing 46% to R3.7bn.



Ascension's Shaun Rai says the company has surpassed its own targets for the year and is on track to keep growing its distributions. Image: [eProp](#)

Ascension reported distributable earnings of R202.7m for the year, up from R124.5m previously, and said it would pay a final distribution for the second half of the year of 19.95c per "A" linked unit and 12.23c per "B" linked unit.

The company is one of a handful of smaller funds that has a dual-linked share structure, with "A" linked units having first right to distributable income and "B" linked units offering prospects for higher growth.

The total distribution for the full year to holders of "A" linked units was up 5% at 39.9c, while "B" linked unit-holders saw 20.2% distribution growth to 22.59c per unit.

In its results Ascension said that the R1.16bn growth in the value of its portfolio exceeded its targeted growth of R1bn a year.

Acquisitions during the period included the government-tenanted Surrey House property in Johannesburg, Atterbury House in Cape Town and Riverpark in Nelspruit.

**Market capitalisation of R2,38bn**

Ascension has a market capitalisation of R2.38bn and leases most of its properties to the government. The company said the portfolio expansion had required a concerted effort to ensure the new properties were properly bedded down and that they were effectively managed.

"The management team have built sufficient capacity to handle this growth and we are satisfied that we can continue to meet the growth objectives of the fund," Ascension said.

The portfolio had a total vacancy rate of 7.4%.

Ascension said it was facing a difficult environment and a rising interest rate cycle. But it had a defensive portfolio and the quality of its assets, together with healthy lease and escalation profiles, should ensure that the fund continues to deliver acceptable returns to its unit-holders.

In July, Chief Executive Ashraf Mohamed resigned and was replaced by acting Chief Executive Shaun Rai. Towards the end of Ascension's financial year, a proposed three-way merger between itself, Delta Property Fund and Rebosis Property Fund was called off.

Delta and Rebosis were both courting Ascension earlier this year - each being misled to believe its negotiations were exclusive. They later decided to re-evaluate the larger triple merger.

Rebosis manages Ascension's portfolio and holds 9% of Ascension's "A" linked units and 56% of its "B" linked units.

Source: Business Day via I-Net Bridge

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