

Real estate investment trust Spear sells vacant Cape Town property for R150m

By [Alistair Anderson](#)

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Western Cape-focused real estate investment trust (Reit) Spear announced a R150m property disposal along with the completion of a R50m upgrade of a shopping centre on Tuesday, 13 March.



Sable Square

Spear said it sold a vacant property, 142 Bree Street, to Arctigen "at a purchase consideration that was at a substantial premium to the book-value of the property".

Spear also said it completed a R50m addition to convenience retail centre Sable Square near Cape Town's Century City. The 3,431m² of additions include 1,750m² of A-grade office space and a 1,681m² gym leased by Zone Fitness.

Spear MD Quintin Rossi said the company intends investing a further R300m to R400m on additions to Sable Square, planning to add further retail space along with 130 to 200 residential units to the precinct over the next 18 to 24 months subject to local authority approvals.

Sable Square centre manager Marius Heydenreich said: "With the expansion of the Clicks store and the addition of Pick n Pay Clothing and Tekkie Town to the retail tenant mix of Sable Square over the past 12 months, a notable increase has

been seen in the footfall of the centre and the bulk of our tenants are reporting positive turnover growth in a very challenging economic climate."

Spear describes itself as the JSE's only regionally specialised reit with a diversified property portfolio of commercial, industrial, retail, hospitality and residential assets. Its property totals of 370,000m² valued at R3bn - far more than its JSE market capitalisation of R1.5bn.

"We like their focus on the Western Cape as well as management's track record of adding value through asset management, both at Spear currently, as well as before that," Bridge Fund Managers chief financial officer Ian Anderson said.

"Today's transaction also supports our thematic call on the Western Cape and Cape Town in particular, where investor appetite remains high and current property book values are probably under-estimating the price investors are prepared to pay for assets in the city."

Source: BDpro

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