

Tradehold acquires Collins Group

By [Alistair Anderson](#)

21 Feb 2017

Investment holding group Tradehold has completed its acquisition of the Collins Group, with the purchase of the company's South African property portfolio, as well as its property development and management business, exposing Tradehold to property worth R7.8bn.

The purchase price of R1.7bn, which represented the net asset value (NAV) of the company after debt, was settled with R38.2m in cash and through the issue of 57.7-million new Tradehold shares at R28.73 per share, with the final tranche of 47.2-million shares at a value of R1.35bn having been issued on Monday, 20 February. The transaction was accretive from a NAV per share perspective.

Tradehold announced its intention to purchase the Collins Group's South African assets and its property development and management business in June last year. All conditions were met in December last year.



Friedrich Esterhuyse, joint CEO of Tradehold

This final element of Tradehold's purchase of the Collins Group follows Tradehold's acquisition of the Collins Group's UK and African portfolios in a £28.2m deal concluded in March 2015.

Tradehold, which is focused mainly on UK real estate, but also holds African property development interests, specialised financial services in the UK and SA, and also solar power solutions.

The Collins Group would operate as a wholly owned subsidiary of Tradehold, which also owns UK-based portfolios including Moorgarth, Reward Finance Group and The Boutique Workplace.

Other subsidiaries include South African-based Mettle, Namibia-based Nguni Property Fund and Tradehold Africa, with assets in Botswana, Zambia and Mozambique.

The Collins Group's diversified South African portfolio consists of 151 commercial, industrial and retail property assets with a combined gross lettable area (GLA) of 1,6-million square metres, with 346 tenants. Industrial buildings

made up 75% of the portfolio, with 16% being distribution centres. Its tenant profile by GLA is 81% national tenants, while the vacancy rate was 1.8% of gross lettable area.

"We are delighted to have gained access to the expertise and experience of the Collins Group's senior management whose in-depth knowledge of the property industry is not restricted to SA, but takes in much of Africa and the UK," said Tradehold chairman Christo Wiese.

"Welcoming the highly experienced senior staff of the fourth-generation, family-owned Collins Group will ensure continuity locally and abroad, as we continue to grow the Tradehold portfolio," he said,

"It's a big step for a family-owned business to become part of a bigger, listed company, but our respective cultures, philosophies and ways of doing business are very complementary," said Friedrich Esterhuyse, joint CEO of Tradehold.

He said the portfolio had been independently valued R8.3bn.

"Together, we will build on Tradehold's entrepreneurial approach, and look at opportunities in various markets to growth NAV per share," he said.

Source: BDpro

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