

Auction of malls was ECape's biggest

Eastern Cape saw its biggest auctions when two shopping centres, several residential properties and a vacant development site went under the Auction Alliance hammer earlier this month.

King's Mall

The King's Mall in East London and King's Court in Port Elizabeth, both belonging to the liquidated King Financial Services Group (Kingfin), attracted eager investors from across the country to hotly contested auctions attend by hundreds of people.

The first to fall under the hammer was King's Mall in East London. The centre was opened in 2007 and is built on a 5ha site, with more than 15000m² of space, including 44 retail shops, 745 parking bays and 332 storage units. The auction took place onsite, and within minutes both investors and onlookers had packed into the mall's forecourt to be a part of the unique event.

A total of 15 interested buyers, which included three JSE-listed property funds, and another 120 onlookers crammed into the centre to take part in the auction.

The price rose quickly as there was competitive bidding between East London-based True Group and a Johannesburg property fund. The final bid eventually came from the True Group at R62m. The sale was confirmed by the liquidators.

King's Court

The following day, the Port Elizabeth King's Court retail centre including a storage facility, 16 apartments and townhouses and land at Arlington race course went on auction. The centre has a retail component of almost 14000m², with 392 storage units and a gross income of more than R10m year.

The opening price started at R30m and after intense bidding from a number of high-profile property investors, a final price of R69m for all properties was achieved. The sales were confirmed by liquidators Stephen Gore and Hans Klopper.

Prime purchases

"The Eastern Cape has never seen such big auctions and we believe the prices achieved reflect the current state of the market. Properties such as these represent fantastic investment opportunities and we are confident that the buyers are happy with their purchases as both centres offer fantastic value," says Auction Alliance CEO Rael Levitt, who conducted both auctions.

"We sold both shopping centres with all the leases fully in place. Tenants are secure and can move forward as the sale of the centres will give clarity, finality and direction to both centres, which were purchased by well-known and experienced local Eastern Cape commercial property funds," Levitt said.

Source: Business Day

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