

Arrowhead buys 15 properties

By [Nick Hedley](#)

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Arrowhead Properties, which listed on the JSE 13 months ago, said on Monday (14 January) it will buy 15 quality and yield enhancing office, retail and industrial properties, as part of a plan to grow its portfolio to R660m in the current financial year.

Arrowhead intends to increase its portfolio to R10bn by 2016 through the acquisition of secondary properties that offer attractive yields. The company has trebled its market capitalisation to more than R2.4bn since listing in December 2011.

The 15 properties are in Gauteng, KwaZulu-Natal, North West Province, Free State and the Northern Cape, and had a combined purchase price of R489m and an average net yield of 11%.

The acquisitions would be funded through debt, with the cost of funding at about 9% a year.

Chief operating officer Mark Kaplan said the properties offered good value at an attractive yield, "which will enhance the earnings and growth prospects of Arrowhead".

After concluding the transactions, Arrowhead will own a portfolio valued at R2.9bn, with debt of R950m.

Arrowhead was established through an unbundling of a portfolio of 98 properties from Redefine Properties in November 2011.

The company listed with a market capitalisation of R800m.

"We intend to continue growing the portfolio, but not at the expense of yield. Our aim is to increase our market capitalisation to R3bn this year," Kaplan said.