

Hyprop closer to buying Somerset Mall

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Hyprop Investments is a step closer to buying the Somerset Mall in the Western Cape. The purchase would be one of the most significant retail transactions in the local commercial property market.



Blue-chip retail acquisitions have become a rarity in the sector, with property companies looking to hold on to their assets.

Subject to various conditions, Hyprop will acquire 100% of the mall for R2.3bn from Sycom Property Fund.

Sycom unitholders on Tuesday (16 July) approved the deal, which is still subject to regulatory approval.

Investec Asset Management portfolio manager Neil Stuart-Findlay said on Tuesday (16 July) one of the Investec Property Equity Fund's largest positions was in Hyprop Investments.

Stuart-Findlay said Hyprop was a blue-chip growth investment which offers investors exposure to a portfolio of SA's premier listed regional and super-regional shopping centres.

These include Canal Walk, Clearwater Mall, Hyde Park Corner and The Glen.

"This segment of the real estate market has proven to be the most defensive through the economic cycle - a crucial advantage in the current challenging economic environment.

"Hyprop's assets are underpinned by a high proportion of national and international retailers, which are backed by strong balance sheets," Stuart-Findlay said.

He said that the company had an exceptional track record of management delivery, where distribution growth consistently exceeded the sector average and results had met or beaten market expectations.

"Hyprop has an accelerating growth profile over the medium term, which will be bolstered by the completion of Rosebank Mall in the first half of 2014," Stuart-Findlay said.

Source: Business Day via I-Net Bridge

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