

Mara Delta to buy \$40m coastal resort in Mauritius

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Mara Delta has concluded its first hospitality deal, acquiring the Tamassa Resort, located in Bel Ombre on the southwestern coast of Mauritius, through a sale and leaseback agreement.



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"We are very excited about this acquisition, our second in Mauritius and the first into a new asset class," said CEO Bronwyn Corbett.

"The acquisition is expected to enhance our previously forecasted distributions. The lease is denominated in euro, reducing our currency risk."

Broll Indian Ocean in August independently valued the property at \$42.3m. Mara Delta will fund the purchase consideration, which is the euro equivalent of \$40m, through the issue of Mara Delta ordinary shares to existing and interested new investors, as well as debt.

"It is also important to note that we won't take on any direct hospitality risk as the transaction is on a sale and leaseback basis under a 10-year fixed triple net lease, with the tenant obliged to fully repair, maintain and insure the property," Corbett said.

Tamassa is a four-star beach hotel comprising 214 rooms in close proximity to golf courses, nature parks and other attractions including the Seven Coloured Earths geological formations. The resort offers a bar, a nightclub and two eateries, one of which serves Mediterranean cuisine. Other amenities include a spa, four pools and a tennis court, plus a gym, a kids' club and a dive school.

The resort has been operating for more than nine years and is ranked seventh on hospitality website, Trip Advisor, out of 178 hotels in Mauritius.

The company expected to take ownership of the assets on March 31 2017, "subject to the fulfilling of suspensive conditions typical to transactions of this nature".

Mara Delta is the only panAfrican real estate investment trust (Reit) on the JSE. After initial teething problems, the company has managed to attract some big investors and has built a solid portfolio.

Mara was reverse-listed in 2014. It was assembled by Sandile Nomvete and Bronwyn Corbett, the executives of Delta Property Fund.

Mara started out with two properties in 2014: a 30,879m² shopping centre in Morocco and an office block in Mozambique. Mara now has interests in 12 assets in Mozambique, Morocco, Mauritius, Zambia and Kenya. Following the Tamassa deal, this portfolio of largely retail properties will include interests in 13 assets and be worth just over 400m (R5.5bn).

Corbett has been praised for her deal-making abilities.

"Bronwyn is a good operator. She has an eye for good assets and doing value-accretive deals," said Nessi Chetty, a fund manager at MMI Investments.

Mara Delta plans to list its Moroccan assets separately soon. It wants to convert its Moroccan subsidiary into a Reit by the end of 2016, as it looks to gain from tax savings created by the dispensation.

Source: Business Day

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