

Annuity buys Clarins SA's properties

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31 Jul 2013

Annuity Properties, which listed on the JSE in May last year, said on Monday, 29 July 2013, that it would buy Clarins SA's property portfolio. Clarins SA is a subsidiary of international luxury cosmetics company.



Annuity, which will also buy the McCarthy/Unitrans property portfolio and the Coricraft distribution centre, said the purchases were consistent with its strategy to build a quality property portfolio that offered long-term distribution and capital growth underpinned by strong contractual cash flows.

In June the property loan stock company reported a distribution for the year to March of 40.91c per linked unit, beating its initial forecast by 1.1%.

The company said the aggregate price for the properties was about R369m and would be funded through a combination of new and existing debt facilities and the issue of new Annuity linked units via a private placement.

"The related property purchase and transaction costs will be funded through new debt facilities. In this context the minimum amount Annuity will seek to raise via a private placement will be about R193.6m," it said.

The Clarins property portfolio includes the Clarins head office and its industrial property in Johannesburg as well as the Clarins offices in Cape Town.

"The effective date for the acquisition of each of these properties will be on transfer, expected to take place towards the middle or end of September," the company said.

McCarthy, Unitrans

McCarthy Audi and Unitrans Nissan between them occupied 78% of the total retail gross lettable area being bought from McCarthy/Unitrans.

The office property has a combination of large, medium and small companies and professional firms as tenants and is located along the well-established Hendrik Potgieter strip in Roodepoort.

The transfer of both the McCarthy/Unitrans and Coricraft Distribution Centre property is expected to take place by October.

"Coricraft is on a 10-year triple-net lease which escalates annually at CPI (consumer price index) or 8%, whichever is higher and has eight years to run terminating in July 2021," Annuity said. "Coricraft will sign a new 10-year lease upon transfer of the Coricraft Distribution Centre Property into Annuity's name," it added.

Annuity said these deals were an opportunity for it to increase its portfolio weighting in the specialised retail and industrial sectors.

The company's initial portfolio comprised four properties: the Sasfin head office in Waverley, Johannesburg; the Woolworths call centre in Cape Town; the Oakfields shopping centre in Benoni; and the Cell C head office in Morningside, which transferred shortly after listing.

Among the acquisitions made during the year to March were the Atrium Building in Braamfontein for R134m and the Langeberg Mall in Mossel Bay for R410m. Both properties were transferred in December last year.

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