

Rights offer pays off for Mara Delta

Mara Delta, the only pan-African property fund listed on the JSE, is set to be worth close to R8bn following a well-supported rights offer, according to CEO Bronwyn Corbett.



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The company announced that it raised \$121.22m through the rights offer.

"We are very encouraged by the support received from our shareholders, especially as the issue price was at a premium to the current share price and given the quantum of the raise," said Corbett. She said that the capital raise was one of the largest for an African-focused property company.

"We have introduced a number of new shareholders to Mara Delta and expect that the fresh capital will support liquidity in the share.

"The proceeds will allow us to settle current pipeline acquisitions, taking the number of income-producing assets in Mara Delta's portfolio from 12 to 18," Corbett said.

In the three years since listing, Mara Delta has grown its asset portfolio from \$140m to more than \$600m after the pipeline transfers.

Corbett said the property fund would acquire a stake in a development company.

"Since Mara Delta doesn't take development risk, our investment will be through a shareholder loan, attracting an interest of 7.5% per annum, said the CEO.

"At the same time, Mara Delta has a right of first offer on any asset developed, allowing us to not only participate in the development upside, but have access to a high-quality and strategic portfolio as well."

Chris Segar, of Ivy Asset Management, said that the company had a clear strategy, which was being rolled out after initial challenges.

"Mara Delta have carried out their mandate effectively, achieving long-dated leases from blue chip tenants and have shown that they can achieve dollar-based distribution growth of a few percent," Segar said.

Mara Delta is invested in Mauritius, Kenya, Morocco, Mozambique and Zambia.

Source: Business Day

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