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Attacq will sell African assets if price is right

Roy Cokayne

ATTACQ, the listed property company, would dispose of its investments in seven shopping malls in Africa if it could get the right price for them.

Morné Wilken, the chief executive of Attacq, confirmed this yesterday, adding that they believe they could use the capital better that it had invested in Africa.

This is a similar view to listed retail property fund Hyprop, which has also invested in these shopping malls and admitted earlier this year there were better opportunities in Eastern Europe than Africa. but it was not the right time to sell these assets. Wilken stressed that Attacq would not accept a ridiculous price for its Africa property assets and there was definitely not a "for sale" sign on these investments.

He said Attacq's rest of Africa retail investments are one of the company's four value drivers and comprise investments in seven operational malls valued.

They accounted for 4.5 percent of the company's total gross assets of R27.1 billion. Attacq's share of these assets was valued at R1.2bn at end-June after a R100 million impairment on these assets.

Wilken said they believed their rest-of-Africa portfolio was one of the best in Africa and their focus remained on actively managing these assets.

"We believe there is still some volatility in the short term and definitely see some upside in the medium to long term.

"A big advantage of our portfolio is that we have additional bulk on all the sites to cater for future expansion, which is something that is critical especially in the African market," he said.

The impairment of its rest-of-Africa portfolio was one of several items that negatively impacted Attacq's growth in the year to June.

Wilken said the strengthening of the rand has caused foreign exchange losses of R243m and it lost R116m on the disposal of Nova Aventis, one of it legacy assets.

But Wilken said Attacq's South African portfolio achieve positive growth, it had completed four projects in the Waterfall development and listed MAS Real Estate, in which Attacq has a 30.6 percent strategic shareholding, had delivered excellent results.

Attacq chief executive Morné Wilken presents the company's annual financial results at its offices in Midrand yesterday. PHOTO: SIMPHIWE MBOKAZI/ANA

Attacq yesterday reported a 3.2 percent growth in adjusted net asset value a share to R22.59 in the year to June from R21.89 in the previous year. Net rental income increased by 17.9 percent to R1.3bn.

Overall portfolio vacancies, measured in terms of primary gross lettable area, increased by 4 690m² to 3 percent, but reduced to 2.4 percent after year end following the letting of 4 431m².

Attacq is planning to convert to a real estate investment trust.

Shares in Attacq rose 0.8 percent on the JSE yesterday to close at R18.83.