

Rockcastle's African operations on track

By [Alistair Anderson](#)

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ALTX-listed Rockcastle Global Real Estate, one of the Resilient group's rand-hedge property companies, said its African operations were on track, as it released financial results for the nine months to March.



Rockcastle's Chief Executive Craig Hallowes says the Zambian developments are on track and performing well. Image: [Who's Who in SA](#)

Rockcastle was one of the JSE's top five performing property stocks last year, managing a total return of 40%, figures from Catalyst Fund Managers showed.

A weak rand encouraged investors to divest out of South Africa and into property abroad instead.

Rockcastle said its Kafubu Mall in Ndola, Zambia, opened shortly after the close of the current financial quarter and was trading well with positive feedback from tenants. Mukuba Mall in Kitwe, Zambia, was on schedule to open in April next year.

Rockcastle had also committed to a 26,000m² mall in Lusaka, Zambia, with more than 75% Zambian and South African national tenants. More developments in Africa were being evaluated. Rockcastle said its net asset value per share was US\$1.21 at the end of March up from US\$1.17 last year.

Rockcastle has investments in Canada, New Zealand, Australia, Singapore, France, the Netherlands, Hong Kong, the US and UK.

Rockcastle's Chief Executive Craig Hallowes said the group was pleased with its recent performance. "Rockcastle continues to maintain its exposure to higher growth, quality stocks which are performing in line with expectations. In

addition, the company continues to actively pursue direct property acquisitions," he said.

Rockcastle's board was confident that forecast dividend growth of 4% would be met for the year to June.

Old Mutual Investment Group Portfolio Manager Evan Robins said the dividend growth was comparable to average growth achieved by locally based property companies.

"Rockcastle owns a portfolio of global property shares. It is also involved with some African direct property ventures but this is still a small portion of the balance sheet. The 4% dividend growth is in dollars so in real terms it is decent growth as US inflation is low and after inflation, is comparable with the real growth rate achieved by many local property companies."

Robins said Rockcastle had, furthermore, deliberately sold some of its lower-quality higher-yielding global property shares to buy higher quality, lower-yielding shares which offer better long-term growth. "This will hurt the dividend growth rate initially," Robins said.

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