

Africa growth high on Billion's agenda

By [Nick Hedley](#)

11 Jun 2013

The Billion Group, a property developer that is also the asset manager of JSE-listed Rebosis Property Fund, has several significant developments underway in SA, and is simultaneously targeting retail developments on the rest of the continent, which may eventually be listed separately.



Billion and Rebosis chief executive Sisa Ngebulana said last week that Billion was undertaking 12 retail shopping centre developments between Angola, Ghana, Nigeria and Uganda, which would each be between 25,000m² and 40,000m² in size.

He said the group had offices in these regions and had had "people there on the ground" for the past two years. While the centres were likely to house some South African retailers and local retailers, the group had seen strong international interest from the likes of French multinational retailer Carrefour.

Members of the leasing teams who had let Dubai Mall and other centres in Dubai had recently joined Billion's leasing team.

Ngebulana said Billion had partnered a number of private equity capital groups from London, other parts of Europe and the US.

Consolidation possible

He said the group was considering consolidating these retail assets with other assets it may buy and then expand into a fund, which could reverse into the JSE. He said this would exclude Billion's South African assets and would be an African-focused fund. The fund may also be listed in London or dual-listed in London and Johannesburg.

Rebosis has access to Billion's assets through its right of first refusal on Billion developments when they are sold to the market. Analysts say this creates a significant potential acquisition pipeline for the fund in a market where opportunities to acquire prime assets are hard to come by.

Ngebulana said although it was a good time to be developing in SA given the low funding costs, development opportunities in this country are few and far between, which was why Billion was looking north.

While Rebosis did not focus on the rest of Africa at the moment, Ngebulana said the fund might indirectly participate "in a vehicle that has those assets down the line".

'However,' he added, "depending on the appetite of the board and unit-holders, Rebosis would consider acquiring all or part of Billion's South African developments. Billion's prime assets being developed in SA are valued at more than R5bn combined and potentially be great for Rebosis, whether wholly-acquired or otherwise," he said.

New centres underway

These assets included the 75,000m² Forest Hill shopping centre to the west of Pretoria, which was part of a greater mixed-use precinct covering about 300,000m². The shopping centre, the first phase of the project, was due to open in April next year.

Construction on Billion's joint venture with Abacus Asset Management on the R2bn Bay West Mall in Port Elizabeth began late last month.

The 87,500m² mall, located on the western side of Port Elizabeth, is also the first phase of a larger mixed-use joint-development precinct which will include light industry, offices, hospitals, service stations, hotels and residential and retail accommodation. The mall is due to open in March 2015, and the group intended to roll out the greater Bay West City project in the next 10 to 12 years. Billion was also soon to start development on a 35,000m² mall in Pretoria North's Hebron township.

Source: Business Day via I-Net Bridge

For more, visit: <https://www.bizcommunity.com>