

RMB Holdings acquires stake in Mall of Africa developer, Atterbury

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RMB Holdings (RMH) has diversified its banking interests to the commercial property market by acquiring a 25.01% stake in Mall of Africa developer Atterbury.



Image source: [BDive](#)

RMH, which owns a 34% stake in banking group FirstRand, announced on Monday that it has broadened its investment focus to real estate through tie-ups with unlisted developers.

The Atterbury deal is the first acquisition that forms part of RMH's new property strategy, but more deals are expected in the future. Management said on Tuesday that RMH will follow a phased approach to acquire its various property investments. FirstRand, through Rand Merchant Bank (RMB), was previously exposed to the property development sector through RMB Properties, which was renamed Eris Property Group in 2008. In 2012, RMB sold its stake in Eris to MMI.

RMH's new property initiative will provide funding to entrepreneur-led businesses with proven track records in managing and building physical property portfolios. The focus will be on office, retail and industrial property developments, mostly in established and larger areas of SA. "RMH will assist these players with capital, strategic input, networking opportunities, structural longevity and additional governance systems," the company said.

Since the unbundling of its insurance investments into Rand Merchant Investment Holdings in 2011, RMH's only investment is its FirstRand stake. Management believed that the property investment strategy meets RMH's stated objective of creating shareholder value. "It will also diversify RMH's earnings base as it will invest across the breadth of the property value chain."

Although the value of the Atterbury acquisition has not been disclosed, Atterbury's 20% holding in the newly completed 131,000sq m Mall of Africa at Waterfall City in Midrand alone is worth R980m. Atterbury also has stakes in various other malls across SA including the R1.4bn mixed-use Newtown Junction in the Johannesburg CBD as well as interests in shopping centres in Germany, Serbia, Cyprus, Ghana, Zambia and Nigeria.

RMH said it had chosen Atterbury as its first property investment because the group has a successful track record in entrepreneurial property skills, development and asset management. The Pretoria-based group was founded by chartered accountant Louis van der Watt and IT entrepreneur Francois van Niekerk in 1994.

"The Atterbury team is regarded as one of the most innovative players in the SA property market and has developed more than 2-million square metres of commercial, retail, industrial and residential properties over the past 22 years."

Although Atterbury is an unlisted entity, it played an instrumental role in the listing of Attacq on the JSE in 2013. The latter owns 80% of the Mall of Africa. Atterbury was also involved in the establishment of Attfund, which sold a number of its shopping centres — including Clearwater Mall on the West Rand — to JSE-listed Hyprop Investments in 2011 in a deal worth R9bn.

Source: Business Day

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