

Delta to buy Tembisa Mega Mart

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28 Mar 2014

The Tembisa Mega Mart development in Gauteng has a new buyer in the form of JSE-listed Delta Property Fund, after a previous deal to buy the township mall failed.



Black-controlled Delta said it was buying Tembisa Mega Mart for R240m - six months after rival company Dipula Income Fund walked away from the same deal.

Dipula first announced the acquisition of the mall, which is yet to be completed, in late 2012, at an expected cost of R169m.

In September last year, the transaction was cancelled due to disputes about the development plan for the mall.

Delta's purchase, from Realty Dynamix 107, is subject to conditions, including all aspects of the development plan being substantially finalised to Delta's satisfaction.

The deal also depends on the development being completed according to plan by August, "or such longer period as is reasonable in the circumstances", among other conditions.

The turnkey Tembisa Mega Mart development is a 14,000m² mall with an annualised yield of 9.1%. Delta said 81% of the mall's space would be occupied by national tenants, including Pick n Pay, Pep and Buildrite.

It would also provide Delta, whose portfolio is weighted towards government and private-sector office space, with sectoral diversification. The effective date of the acquisition would be September.

Dipula's agreement to buy Tembisa Mega Mart was cancelled last year by Realty Dynamix 107 on the basis that certain conditions had not been fulfilled.

Dipula disagreed with the grounds relied upon by the seller but accepted the cancellation.

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