Delta enters Ghana, Botswana

By Alistair Anderson   8 Mar 2016

Delta Africa will soon announce the acquisition of its first properties in Botswana and Ghana, in a deal worth $257m.

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The company said on Friday, 4 March, its dividend growth for the year to June was expected to be between 3% and 6% from the previous year.

It will be the largest pan-African property fund on the JSE, with more than R6.5bn worth of assets, when its merger with Mara Diversified Property Holdings is completed.

It will then be known as Mara Delta.

Delta Africa's board said it was confident that the company would achieve distribution growth of between 3%, or 11.63 US cents per share, and 6%, or 11.95c per share, for the financial year ended June 30, when compared with the distribution for the financial year ended June 30 last year, or 11.28c per share.

CEO Bronwyn Corbett said the company would soon announce the details of acquisitions in Botswana and Ghana.

Corbett said Delta Africa was facing less competition from South African funds in Africa, while some economies in Africa,

such as Nigeria were struggling.

Corbett said many South African-listed property funds also felt that Africa was too risky a market. Some fund managers have said many African property assets are too expensive compared with other markets.

"Our research indicates that prices per square metre have been significantly higher (in Africa) than similar investments in developed markets such as the US, Canada and Spain," Alternative Real Estate Capital Management's Garreth Elston said.

Corbett said the development component of Mara Delta was about $500m to be rolled out over five to 10 years.

Stanlib head of listed property funds Keillen Ndlovu has said the Delta Africa and Mara partnership was a strong move by both parties.

"It's a good deal. It has more critical mass as compared to funds doing something on their own and having small portfolios," he said.

Source: Business Day