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Atterbury launches new real estate growth fund

Assets are valued at R3.1bn

Roy Cokayne

ATTERBURY, a leading national property development and asset management group, has launched a new real estate growth fund that will become the investment vehicle for its existing and future assets in South Africa, Namibia and Mauritius.

Called Atterbury Property Fund, it would start as a closed unlisted fund and would launch with assets valued at R3.1 billion. But Wouter de Vos, the chief executive of the fund, said that the aim was to "grow it towards a market-related liquidity event that would give the market access to participate".

Atterbury Property Holdings, in which Rand Merchant Bank Holdings earlier this month announced it is in the process of acquiring a 25.01 percent stake, will own 80 percent of the shares in the fund with Atterbury's employees holding the remaining 20 percent stake.

De Vos said the fund had secured a large immediate development pipeline that included R2 billion worth of top-structure developments in the next three years. He said all these developments would transfer to Atterbury Property Fund on completion.

De Vos said the fund would acquire the pipeline assets from Atterbury on favourable terms in exchange for financial assistance during the development phase, which would result in superior financial returns for its shareholders.

Long-term approach

"By consolidating Atterbury's assets into Atterbury Property Fund, we will also benefit from more favourable funding terms, as well as potentially accessing debt capital markets," he said.

De Vos added that the fund's long-term approach would mean that shareholders would not receive distributions for the first few years.

"Atterbury Property Fund is investing for the long term. We're focused to take advantage of property investment opportunities where we can create and add value with Atterbury's leading-edge property development and asset management expertise.

"We will leverage of the existing and well-established Atterbury networks as well as proven brand."

De Vos added that in addition to ventures with existing Atterbury partners, Atterbury Property Fund was eager to create new investment partnerships, including investing in JSE-listed property counters.

Louis van der Watt, the chief executive of Atterbury Group, said Atterbury Property Fund would take Atterbury confidently into the future.