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RMB HOLDINGS (RMH), the biggest shareholder in FirstRand with a 34 percent stake, is set to make its second property sector investment in as many months and announced its intention to acquire 34 percent of leading urban renewal group Propertuity Development Company.

Propertuity has, since its establishment in 2009, focused on the redevelopment of dilapidated industrial and office areas in Johannesburg and Durban.

It now has about 50 properties in Johannesburg and 20 in

RMB Holdings to make second property investment

Durban, with its entry into the Pretoria central business district under way.

RMH last month reported it had agreed to buy 25.01 percent of leading property group Atterbury as part of a new strategy aimed at further diversifying its earnings and creating shareholder value.

RMH yesterday declined to comment on the value of the investment it intended to make in Propertuity other than its initial investment represented

less than 1 percent of RMH's net asset value.

It represents the first investment into RMH's specialist portfolio that will focus on niche areas of the property sector.

The specialist portfolio sits alongside RMH's core property portfolio that will target the more traditional and larger areas of South African property. Atterbury is RMH's key development partner in the core portfolio.

RMH said the specialist portfolio would house best-of-breed specialist developers and managers focused on key niches in the property market and aimed to achieve higher yields and faster net asset-value growth than the more traditional core portfolio.

The shareholding in Propertuity after the finalisation of the transaction will be held by management (46 percent), RMH (34 percent) and Buffet Investments (20 percent).

Herman Bosman, the chief executive of RMH, said yesterday that the company was excited to announce its second transaction to further diversify RMH's earnings base through investing into the breadth of the property value chain.

Bosman said Propertuity had expanded into a company owning a portfolio owning a portfolio worth more than R1 billion after starting in 2009 with one building valued at R15 million.

"As a leader in urban

renewal, it offers access to a highly specialised niche within the property market and a long-term growth opportunity, both locally and abroad.

"We will work with Propertuity to assist them with capital, strategic input, networking opportunities, structural longevity and additional governance systems," he said.

RMH said the financial effects of the transaction would be immaterial on its financial results over the short to medium term and it intended to fund its investment in Propertuity through the issue of preference shares.