Ornico KNOW HOW. TO GROW

CAPE TIMES BUSINESS REPORT 2015/07/31 Page: 18

Atterbury and Attacq in joint Europe shopping mall ventures

Roy Cokayne

ATTERBURY Europe, a new partnership between the South African-based Atterbury Group and a group of European partners, with JSE-listed real estate capital growth fund Attacq has acquired two shopping centres in Cyprus for €200 million (R2.77 billion).

Attacq confirmed yesterday that it had acquired a 48.75 percent stake in two leading shopping centres in the capital of Cyprus, Nicosia.

Morne Wilken, the chief executive of Attacq, said the acquisition of these two malls in Cyprus jointly with Atterbury Europe supported Attacq's diversification strategy into Europe.

Attractive

"What makes Cyprus so attractive is that it is a market that has remained untapped by other international property development businesses. Atterbury Europe, together with Attacq as co-investors, have managed to get in at the bottom of the market, resulting in an excellent opportunity for upside benefit," he said.

Atterbury Europe is also investigating further retail opportunities in Serbia. It was incorporated in the Netherlands and would focus on shopping centre investments and retail development opportunities primarily in Eastern Europe and partner with Attacq to tap into this market.

Louis van der Watt, the chief executive of the Atterbury Group, said yesterday that Atterbury Europe had acquired the Mall of Cyprus and the Mall of Engomi, both in Nicosia.

Van der Watt said the deal was finalised a week ago and the centres acquired from ITTL Trade, Tourist and Leisure Park and Woolworths Commercial Centre, both of which were listed on the Cyprus Stock Exchange.

R2.77bn

Price of two shopping centres acquired in Cyprus

Raoul de Villiers, the managing director of Atterbury Europe, who will be relocating to the company's offices in Vienna in Austria next month, said Atterbury Europe together with Attacq owned more than 99 percent of both companies, which would "remain listed for now".

Van der Watt said they hoped to get between 50 percent and 60 percent of the funding for the acquisition through debt raised in Cyprus and would provide the balance in cash. He said they already had Reserve Bank approval for the investment in Cyprus.

Van der Watt said there were a lot of expansion opportunities at the Mall of Cyprus and they would within the next two to three months start on an expansion that would increase the size of centre by 25 percent.

He said there was also huge available bulk at the Mall of Engomi and they were already busy with two or three further opportunities in Cyprus.

"One of the other major towns is Limassol. We have already identified a property there and want to build another mall," he said.

Far advanced

Van der Watt said Atterbury Europe was also very far advanced with a transaction in Serbia.

"We are looking at a portfolio that we want to buy. The initial investment in Serbia… will be very similar to Cyprus.

"But the expansion will not only be in Serbia but in the whole of the Balkans – Croatia, Serbia, Montenegro – there are six or seven countries there. We will look at that whole region so I think it could become a far bigger investment opportunity than Cyprus," he said.

Van der Watt said initially about four to five South Africans would relocate to Atterbury Europe's office in Austria, where it would also employ local people, but with South Africans in the key management positions.

"I foresee in the next two to three years that the Atterbury Europe Company will have 20 to 30 people running all the shopping centres in Europe," he said.