



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 44/LM/Apr12
014969

In the matter between:

Redefine Properties Limited

Acquiring firm

And

**Amber Falcon Properties (Pty) Ltd
in respect of 50% of the property letting
enterprise, known as Chris Hani Crossing**

Target Firm

Panel	:	Norman Manoim (Presiding Member) Andreas Wessels (Tribunal Member) Medi Mokuena (Tribunal Member)
Heard on	:	14 June 2012
Order issued on	:	14 June 2012
Reasons issued on	:	18 July 2012

Reasons for Decision

Approval

[1] On 14 June 2012 the Competition Tribunal ("Tribunal") approved the merger between Redefine Properties Limited and Amber Falcon Properties (Pty) Ltd in respect of 50% of the property letting enterprise known as Chris Hani Crossing. The reasons for approving the proposed transaction follow below.

Parties to the transaction

- [2] The primary acquiring firm is Redefine Properties Limited (“Redefine”), involved in the retail, office, industrial and retail property sector in South Africa.
- [3] The primary target firm is Amber Falcon Properties (Pty) Ltd (“Amber Falcon”), a developer and company with a strategy to invest in and hold properties on a long-term basis. Amber Falcon holds a 50% share in Chris Hani Crossing. Chris Hani Crossing is a minor regional shopping centre located in Vosloorus, Gauteng. Chris Hani Shareblock (Pty) Ltd (“Shareblock”) holds the other 50% interest in Chris Hani Crossing. The controlling shareholder of the Shareblock is the John McCormick Family Trust.¹

Proposed transaction

- [4] In terms of the proposed transaction, Redefine will acquire a 50% undivided share in the property letting enterprise known as Chris Hani Crossing from Amber Falcon.
- [5] Upon implementation of the transaction, Redefine will acquire joint control with the Shareblock over Chris Hani Crossing.

Rationale for the transaction

- [6] Redefine sees the transaction as an opportunity to acquire a well-located, appropriately sized, retail property.
- [7] Amber Falcon does not want to carry on holding its investment in the property as the development cost exceeded the initially planned cost.

Relevant markets and impact on competition

- [8] There is an overlap present between the activities of the merging parties as they are both involved in the provision of rentable retail space in South Africa. However, the Commission found that there is no geographical overlap between the merging parties, as Redefine

¹ At the hearing we were told it was called McCormick Property Development CC.

does not own any shopping centres in and around the Vosloorus area.

[9] The nearest Redefine shopping centre to this is Golden Walk Shopping Centre, which is located in Germiston and approximately 20 kilometres from the target property.

[10] Furthermore, there are over 40 other retail shopping centres within a 25 kilometre radius of Chris Hani Crossing, enabling consumers and tenants to substitute Chris Hani Crossing for one of the many other centres.

Public interest

[11] The merging parties confirmed that there will be no adverse effect on employment as a result of the proposed transaction². No other public interest issues arise as a result of this transaction.

CONCLUSION

[12] Having regard to the facts above, we find that the proposed merger is unlikely to substantially lessen or prevent competition in any relevant markets, due to the various competitors and relatively low market shares. Furthermore, the proposed transaction raises no adverse public interest concerns. Accordingly, we approve the proposed merger unconditionally.

NORMAN MANOIM

18 July 2012
DATE

Andreas Wessels and Medi Mokuena concurring.

Tribunal Researcher: Nicola Ilgner

For the merging parties: Vani Chetty Competition Law

For the Commission: Zanele Hadebe

² See page 96 of the record.