

New property listings heading for JSE

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At least three new property listings are heading for the JSE, including a R1.4bn Western Cape-based portfolio owned by entrepreneur and former Redefine Properties director Mike Flax.



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The other two contenders are retail-focused Liberty Two Degrees and a UK-based property play by global asset manager Schroders.

Flax is no stranger to the JSE. He listed his first Western Cape-based property portfolio, Spearhead Property Holdings, in January 2000.

The company was sold to Redefine six years later in a deal worth more than R1bn.

After spending five years at Redefine, Flax left in 2011 to return to his forte of development and trading.

He has since assembled another Western Cape-based portfolio with partners Quintin Rossi and Abu Varachhia.

The R1.4bn portfolio, comprising 25 office, industrial and mixed-use properties located in and around Cape Town, will be listed under the banner of Spear Properties on November 11.

Flax, who is known for his shrewd entrepreneurial and deal-making skills, concedes he was keen to take a sabbatical from corporate life when he left Redefine in 2011. But the fact that unlisted property funds don't qualify for the same tax benefits as listed funds makes it difficult for private property players to recycle their portfolios.

"The JSE's [real estate investment trust] legislation is a big driver of our proposed listing. Raising capital in the market will also give us the ammunition to become a dominant player in the Western Cape," says Flax.

He hopes to tap the market for R300m in a prelisting capital raise, of which more than half (R187.5m) has already been committed via a private placement.

Spear Properties will have an expected market cap of R830m at listing and offer a forward dividend yield of 8.3%, which appears attractive compared with the sector's 7.5% average.

Source: Financial Mail

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