



## COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 76/LM/Nov10

In the matter between:

**Fountainhead Property Trust**  
And

**Acquiring Firm**

**Fountainhead Property Trust**  
**Breeze Court Investments 33 (Pty) Ltd**  
In respect of property letting enterprise known as Lefika

**Target Firm**

Panel : Norman Manoim (Presiding Member),  
Yasmin Carrim (Tribunal Member)  
and Medi Mokuena (Tribunal Member)  
Heard on : 16/02/2011  
Order issued on : 16/02/2011  
Reasons issued on : 22/02/2011

### Reasons for Decision

#### Approval

- 1] On 16 February 2011 the Tribunal unconditionally approved the merger between Fountainhead Property Trust ("Fountainhead") and All Top Properties (Pty) Ltd ("All Top") and Breeze Court Investments 33 (Pty) Ltd ("Breeze Court"). The reasons follow below.

#### The Transaction

- 2] In terms of the proposed transaction, Fountainhead which is a publicly listed property trust managed by Fountainhead Property Management Limited and

which is jointly controlled by Standard Bank Properties and Liberty Group, is acquiring the property letting enterprise known as Lefika House which is co-owned by All Top (60%) and Breeze Court (40%).

3] All Top and Breeze Court are both property owning companies which invest in and develop immovable properties for the purpose of earning rental income. They co-own the Lefika House property which is an A-grade office space located in Brooklyn/Nieuw Muckleneuk, Pretoria. Lefika House is currently occupied by the Auditor General in terms of a lease agreement which expires in 2019.

4] Post merger, Fountainhead will have sole control over Lefika House.

### **The Rationale**

5] For Fountainhead the proposed transaction is in line with its growth strategy and both All Top and Breeze Court agreed to take the offer from Fountainhead in order to realise their investment in respect to the Lefika property.

### **Competition Analysis**

#### ***Horizontal and Vertical Analysis***

6] There is no horizontal overlap or vertical relationship between the parties as Fountainhead currently does not have A-grade office space in Brooklyn/Nieuw Muckleneuk where the target property is based.

### **CONCLUSION**

[7] Consequently the proposed transaction is unlikely to lead to a substantial prevention or lessening of competition. There are no public interest concerns. Accordingly the proposed transaction is approved unconditionally.

**Y Carrim and M Mokuena concurring**

Tribunal Researcher: Londiwe Senona

For the merging parties: Vani Chetty Competition law

For the Commission: Lerato Monareng