



## COMPETITION TRIBUNAL OF SOUTH AFRICA

**Case No:79/LM/Dec10**

In the matter between:

**Redfine Properties Limited**

Acquiring Firm

And

**Bakford Properties (Pty) Ltd and  
Fedhurst Properties (Pty) Ltd**

Target Firm

Panel : Norman Manoim (Presiding Member),  
Andreas Wessels (Tribunal Member)  
and Medi Mokuena (Tribunal Member)  
Heard on : 08 February 2011  
Order issued on : 08 February 2011  
Reasons issued on : 10 February 2011

### **Reasons for Decision**

#### **Approval**

- 1] On 8 February 2011 the Competition Tribunal ("Tribunal") approved the acquisition by Redfine Properties Limited of Bakford Properties (Pty) Ltd and Fedhurst Properties (Pty) Ltd in respect of the property letting enterprises known as Commerce Square and Esher Place. The

reasons for approval follow below

### **The Transaction**

- 2] The primary acquiring firm is Redefine Properties Ltd (“Redefine”). Redefine is part of the Redefine Group, which is a property investment company with diversified property holdings. Redefine is listed on the Johannesburg Stock Exchange in the financial services sector and is not controlled by any single shareholder.
- 3] The target firms are Bakford Properties (Pty) Ltd and Fedhurst Properties (Pty) Ltd in respect of the property letting enterprises known as Commerce Square and Esher Place. The target firms form part of the Bakos Group whose five major shareholders are; Fiveways Ltd, Dennis Bakos Trust, Sheldon Dennis Bakos, Tyrone P Bakos, Bernard Victor Bakos.
- 4] The acquisition includes the lease agreements of the properties Commerce Square and Esher Place, both properties are A-grade rentable office space and are situated in the Sandton and environs node.

### **The Rationale**

- 5] Redefine Group’s rationale for purchasing Commerce Square and Esher Place is that both properties are suited to Redefine’s current property portfolio and as such are attractive additions to their existing property portfolio.
- 6] The Bakos Group’s rationale for the proposed transaction is to obtain equity in order to enable it to pursue other property investment opportunities.

### **The parties and their activities**

- 7] Both firms are involved in the property investment market.

### **The relevant market and the impact on competition**

8] There is an overlap in the activities of the parties with regard to investment in A-grade office space. Given the nature of the market we have opted for a narrow market definition, looking at the market for A-grade office space in the Sandton and environs node.

9] The combined market share of the merged entity for A-grade office space in Sandton and environs is a low 4,48% and even in this narrowly defined market the merged entity will face competition from a number of effective competitors, including but not limited to; Growthpoint, Liberty, Standard Bank Properties and Investec Properties.

10] In light of the above, we find that the transaction would not substantially prevent or lessen competition the relevant markets.

## **CONCLUSION**

11] There are no significant public interest issues and we accordingly approve the transaction.

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**Norman Manoim**

10 February 2011

**DATE**

Andreas Wessels and Medi Mokuena concurring.

Tribunal Researcher: Thandi Lamprecht

For the merging parties: Vani Chetty Competition Law

For the Commission: Mogalane Matsimela