

# Hyprop results 'strong' despite challenging environment

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Retail-focused property company Hyprop Investments on Thursday (29 August) reported a 7.6% rise in distributions for the six months to June to 213c per unit, with a first time, albeit small, contribution from its African investment.



Hyprop attributed its "strong set of results" to rental growth, reduced interest costs and improved operating efficiencies.

Chief executive Pieter Prinsloo said despite a "challenging economic environment", Hyprop's shopping centres had performed well, producing 7.2% growth in distributable earnings. Two of Hyprop's flagship assets, Canal Walk and Hyde Park, reported double-digit growth.

Prinsloo said Hyprop's focus remained on continued expansion and refurbishment of its existing centres.

"The company's R932m redevelopment of Rosebank Mall was progressing well," he said. "While completion was expected in September, 95% of the enlarged mall was already leased," he added.

Vacancy levels across Hyprop's portfolio increased slightly to 2.7%. Hyprop's shopping centre vacancies were below 1%, while office vacancies decreased from 9.1% in December to 8.1%.

## Dividends and developments

The company's acquisition of Somerset Mall for R2.3bn during the period is subject to the transfer to Sycom Property Fund of the 50% of the mall that Sycom does not already own.

During the period, Hyprop received its first dividend of R1.4m from its 37.5% stake in Atterbury Africa - which is jointly controlled by the Atterbury Group and Hyprop.

"By the end of the period, R337m of Hyprop's R750m initial commitment to Atterbury Africa had been committed, with the balance expected to be invested over the coming 12 to 18 months," Prinsloo said.

Accra Mall in Ghana, in which Atterbury Africa has a 47% shareholding, was "doing very well", while construction work on

West Hills Mall in Accra was progressing well. The group had also secured additional development projects in Accra.

Angelique de Rauville, chief executive of property investment group Handful of Keys, said Hyprop had once again surprised on the upside.

De Rauville said the company's stated growth forecast for 2014 of between 6.5% and 8.5% was "impressive" and this would be ahead of its peers, despite the Rosebank Mall redevelopment.

"These results are testament to a resilient consumer market, but also an innovative management team that produces and manages a world-class retail product," De Rauville said.

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