

Fairvest, Safari merger no longer on the cards

According to Fairvest Property Holdings Limited, it has elected, by mutual agreement, to not proceed with its friendly merger with Safari Investments RSA Limited.



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Fairvest CEO Darren Wilder comments: “We undertook a thorough due diligence of the Safari operations and are convinced that a merger would have created a specialised, lower LSM retail-only focused fund with R6bn worth of assets, a proposition which is in line with fund managers’ strategies for property funds to consolidate, specialise and create liquidity. We expected that, provided we delivered performance, the merged entity would have been rerated with additional support from its inclusion in the SA REIT and ALPI indices, ultimately driving long-term value.”

“We are known in the marketplace to be disciplined buyers with a well-defined valuation framework that sets key financial hurdles for transactions. We believe that increasing our bid to match an offer that equates to a less than an 8% equity yield for the Safari assets would not have been beneficial to Fairvest shareholders.”

The company will announce its annual results on 5 September 2019 and has indicated in its interim results that it expects full-year results to be in line with market guidance.

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