

Delta Africa buys stakes in two Zambian malls

By [Alistair Anderson](#)

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Delta Africa, formerly Delta International, has acquired significant interests in two Zambian shopping malls, extending its asset base into a third country.

Delta International was recently renamed Delta Africa better to express its business focus. It is the first Africadicated property fund listed on the JSE with a strategy to invest in already-built assets in Africa.

Many property funds are seeking investment opportunities in economies with a higher growth than SA's.

Delta Africa announced yesterday it would effectively acquire Rockcastle Global Real Estate's 50% interests in Kafubu Mall and Makuba Mall in Zambia.

The other half of each mall would continue to be held by Stephen Herring and his development company.

Rockcastle has said it wanted to focus its efforts on investing in Poland and other parts of eastern Europe.

The Kafubu Mall part of the transaction would be worth 4.08m and the Makuba Mall part is valued at 17.5m. The amounts would be settled in cash.

Delta would raise the cash through a placement of shares to third parties or by debt funding.

Kafubu Mall is located in Ndola. The acquired gross lettable area in the shopping mall is 11,964m²

It has a weighted average gross rental per square metre of \$12.24.

The 50% stake would be purchased at a yield of 8.4%.

The Makuba Mall is located in Kitwe. The acquired gross lettable area is 28,235m² The weighted average gross rental per square metre is \$14.45.

The stake is also being acquired at a yield of 8.4%.

Delta Africa CEO Bronwyn Corbett said the expansion into Zambia would send a positive message to South African listed property investors.

The decision to grow more aggressively and spread into more African countries than originally envisaged at listing would boost the fund, which had struggled to stabilise in Africa, she said.

"It's been tough. We have been in Mozambique and Morocco before this, basically looking at investing in office properties and retail properties, respectively.

It took us a while to make acquisitions there. But now we have set up a bigger team and our management is moving to



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Mauritius," Corbett said.

Source: Business Day

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