

Acucap interim payouts rise

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RETAIL-focused Acucap Properties and office-biased Sycom Property Fund, whose portfolio is managed by Acucap, yesterday announced distribution growth of 5.9% and 4.4% respectively for the six months to September.

Sycom CEO and Acucap MD Paul Theodosiou said the groups had achieved credible results, given the difficult economic conditions. Management continued to focus on the property fundamentals, and had positioned the funds so that they owned premium-quality shopping centres and offices, he said.

This allowed the fund to offer its investors a solid distribution yield with long-term growth expectations that beat inflation, said Mr Theodosiou.

Acucap's board announced a distribution of 159.89c per unit for period. The 5.9% growth was in line with guidance provided in respect of the 12 months to March 31 next year.

The Sycom board meanwhile reported a distribution of 88.12c per unit. With distribution growth of more than 7% expected in the second half of the financial year, the interim results were also in line with guidance provided for the 12 months to March 31 next year.

Property fund manager at Alternative Real Estate Capital Management, Maurice Shapiro, said a key strength for Acucap was its storage business.

"Acucap is the first South African-listed property company to venture into self-storage properties. This is a well-established asset class offshore and as South

Africa demographics change and we see further urbanisation, there will be a bigger demand for storage space as residences become smaller.

"We believe it is an untapped market in SA with good growth potential, and in a short space of time Acucap have grown this small part of their business to 33 sites. Acucap intend listing the self-storage business separately in the next 18-24 months with not less than R1bn in value," Mr Shapiro said.

He was also impressed with Sycom's results.

"Sycom is well positioned to grow their portfolio with yield accretive acquisitions, such as their recent acquisition of a 50% undivided share in Greenacres Shopping Centre together with Acucap," Mr Shapiro said.

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