

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NO. 5408

11 October 2024

COMPETITION COMMISSION

NOTIFICATION TO APPROVE WITH CONDITIONS THE TRANSACTION INVOLVING:

CATTERED CONSULTING (PTY) LTD

AND

THE LETTING ENTERPRISE KNOWN AS BRAVO INDUSTRIAL COMPLEX-42 MAIN

CASE NUMBER: 2024MAR0011

The Competition Commission hereby gives notice, in terms of Rule 38 (3)(c) of the 'Rules for the Conduct of Proceedings in the Competition Commission', that it has approved the transaction involving the abovementioned firms subject to conditions set out below:

Background

1. On 07 March 2024, the Competition Commission ("Commission") received notice of an intermediate merger wherein Cattered Consulting (Pty) Ltd ("Cattered") intends to acquire the letting enterprise known as Bravo Industrial Complex-42 Main Reef Road ("Target Property") from LCP Propco 1 (Pty) Ltd ("LCP"). On completion of the proposed transaction, Cattered will own and control the Target Property.

Parties and their Activities

2. The primary acquiring firm is Cattered, a special purpose vehicle property investment company with its primary activity to hold the property being purchased and which is a wholly owned subsidiary of Benav Properties Proprietary Limited ("Benav"). Benav is in turn controlled by Rino Properties Proprietary Limited ("Rino"). For the purposes of the present transaction, Cattered, the firm that controls it and all of the firms controlled by its controller are collectively referred to as the ("Acquiring Group").
3. The Acquiring Group has a portfolio of properties situated throughout South Africa. In Gauteng, the Acquiring Group owns six light industrial properties, with one located in Denver, 12.9 km from the Target Property
4. The primary target firm is the Target Property. The Target Property is the letting enterprise known as Bravo Industrial Complex - 42 Main Reef Road. It comprises of Erf 44 and Erf 62, Longdale,

Extension 6. The Target Property is wholly owned by LCP, a company incorporated in accordance with the laws of South Africa. The Target Property is a light industrial property located at Longdale, Extension 6.

Competition Assessment

5. The Commission considered the activities of the merging parties and found that the proposed transaction result in a horizontal overlap in the market for the provision of light industrial property in Longdale. The Commission however found that the proposed transaction is unlikely to substantially prevent competition in any market in South Africa.
6. As such, the Commission is of the view that the proposed transaction is unlikely to substantially prevent competition in any market in South Africa.

Public interest

7. To address the Commission's public interest concerns, the parties tendered a commitment to procure from HDP suppliers. This commitments is set out in the conditions set out in **Annexure A** hereto.
8. The proposed transaction does not raise any other public interest concerns.

Conclusion

9. The Commission approves the proposed transaction with conditions set out in **Annexure A** hereto.

ANNEXURE A**CONDITIONS**

CATTERED CONSULTING (PTY) LTD**AND****THE LETTING ENTERPRISE KNOWN AS BRAVO INDUSTRIAL COMPLEX-42 MAIN REEF
ROAD****CASE NUMBER: 2024MAR0011**

1. DEFINITIONS

The following expressions shall bear the meaning assigned to them hereunder, and cognate expressions shall have corresponding meanings, namely:

- 1.1. **“Acquiring Firm”** means Cattered Consulting (Pty) Ltd;
- 1.2. **“Approval Date”** means the date the Commission issues a Clearance Certificate;
- 1.3. **“Cattered Consulting (Pty) Ltd”** mean a private company incorporated in accordance with the laws of South Africa with registered business address located at 22 Stirrup Lane, Woodmead Office Park, Woodmead;
- 1.4. **“Commission”** means the Competition Commission of South Africa;
- 1.5. **“Commission Rules”** means the Rules for the Conduct of Proceedings in the Competition Commission;
- 1.6. **“Competition Act”** means the Competition Act No 89 of 1998, as amended;
- 1.7. **“Conditions”** means these conditions;
- 1.8. **“Day”** means any business day, being any day other than a Saturday, Sunday or official public holiday in the Republic of South Africa;
- 1.9. **“HDPs”** means historically disadvantaged persons, as contemplated in section 3(2) of the Act;
- 1.10. **“Implementation Date”** means the date, occurring after the Approval Date, on which the Merger is implemented by the Merging Parties;

- 1.11. **“Included Target Property Expenditure”** means the procurement of security services, cleaning services, repair and maintenance, fire maintenance, pest control, and meter reading by the Target Property;
- 1.12. **“Merger”** means the acquisition of sole control over the Target Property by the Acquiring Firm;
- 1.13. **“Merging Entity”** means collectively the Acquiring Firm and the Target Firm;
- 1.14. **“Merger Parties”** means the Acquiring Firm and the Target Firm;
- 1.15. **“LCP Propco”** means LCP Propco 1 Proprietary Limited a private company incorporated in accordance with the laws of South Africa with registered business address located at 807 The Firestation, 16 Baker Street, Rosebank.
- 1.16. **“Target Firm”** means the Target Property;
- 1.17. **“Target Property”** means the letting enterprise known as Bravo Industrial Complex - 42 Main Reef Road.
- 1.18. **“Tribunal”** means the Competition Tribunal of South Africa;
- 1.19. **“Tribunal Rules”** means the Rules for the Conduct of Proceedings in the Tribunal; and
- 1.20. **“Sellers”** means all firm directly and indirectly controlled by LCP Propco in South Africa.

2. HDPs PROCUREMENT

- 2.1. Cattered Consulting (Pty) Ltd commits that the Target Property shall maintain the current level of Included Target Property Expenditure from HDPs, being an amount of approximately R157 500 or 77% of the overall Target Property procurement annually.
- 2.2. For the avoidance of doubt, Cattered Consulting (Pty) Ltd commits that the Target Property shall procure 100% of the Included Target Firm Expenditure from HDPs for the period of 5 (five) years.
- 2.3. Measured over a period of 5 (five) years from the Implementation Date, Cattered Consulting (Pty) Ltd undertakes to maintain, and, use its best endeavours to increase, the absolute amount or percentage in Clause 2.1.

3. MONITORING

- 3.1. The Acquiring Firm shall inform the Commission in writing of the Implementation Date of the Merger within 5 (five) Days of its occurrence.
- 3.2. The Acquiring Firm shall submit an affidavit to the Commission within 1 (one) month after each anniversary of the Implementation Date attesting to its compliance with undertakings set out in clause 2 above.

- 3.3. The Commission may request such additional information from the Acquiring Firm which the Commission from time to time regards as necessary for the monitoring of compliance with these Conditions.

4. APPARENT BREACH

- 4.1. An apparent breach by the Acquiring Firm of the Conditions shall be dealt with in terms of Rule 39 of the Commission Rules read together with Rule 37 of the Tribunal Rules.

5. VARIATION

- 5.1. The Acquiring Firm may at any time, on good cause shown, apply to the Commission for the Conditions to be lifted, revised, amended and/or the time period for fulfilment of the Conditions extended. Should a dispute arise in relation to the variation of the Conditions, the Acquiring Firm shall apply to the Tribunal, on good cause shown, for the Conditions to be lifted, revised, amended and/or the time period for fulfilment to be extended as aforementioned.

6. GENERAL

- 6.1. All correspondences in relation to the Conditions must be submitted to the following email address: mergerconditions@compcom.co.za and ministry@thedtic.gov.za

Enquiries in this regard may be addressed to the Manager: Mergers and Acquisitions Division at Private Bag X23, Lynnwood Ridge, 0040. Telephone: (012) 394 3298