

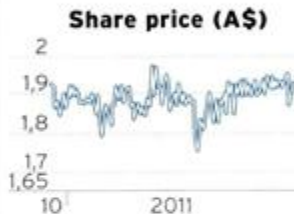


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MD

# Growthpoint Properties Australia



Listed:	September 2009
Market cap:	AS\$1,16bn
Total return (2011):	24% (in rand)
Dividend yield:	9,3%
Geographical focus:	Brisbane, Melbourne & Sydney
Sectoral focus:	Industrial & offices



SOURCE: CATALYST FUND MANAGERS

**Though it's not listed on the JSE,** we have included the Australian Stock Exchange-listed property counter in our offshore property picks because of its direct ties with JSE-listed Growthpoint Properties. The latter is SA's biggest listed real estate company, with a market cap close to R34bn. It owns 61% of Growthpoint Australia.

Investors who buy Growthpoint stock on the JSE will get some exposure to the Australian portfolio, but a direct investment makes more sense.

Growthpoint's highly regarded deal-making duo, Norbert Sasse and Estienne de Klerk, timed their entry into Australia perfectly. They first started buying stakes in Growthpoint Australia in its former guise, as Orchard Industrial Property Fund, at the bottom of the market in mid-2009.

Though it is still relatively small in Australian terms, management has made impressive strides over the past 2½ years to grow the portfolio.

Four acquisitions were made in

December for AS289,5m (R2,4bn), which will take the portfolio to 40 properties worth \$1,54bn, up from only 24 properties worth \$662m in June 2009.

The portfolio offers a good spread between high-quality offices and industrial buildings in major cities across Australia.

Another selling point is that the company pays out 100% of its profits to investors — unlike most other Australian property counters.

Growthpoint Australia is a bargain compared to its peers, says Keillen Ndlovu, head of Stanlib property funds. The stock is trading at a forward yield of 9,3% compared with a sector average of 6%-7%.

It seems Australians have not yet taken to the stock in a big way, probably because it's not large and liquid enough for their liking.

But there's no doubt the fund will slowly but surely start to appear on the radar of international fund managers if management continues to bulk up its portfolio with quality properties at good yields. ■