Vukile to acquire R16.1bn retail portfolio from Old Mutual in landmark deal

Strategically aligned, financially accretive mega-acquisition of 18 properties across eight strong performing metropolitan and regional retail nodes, including Gateway Theatre of Shopping and Cavendish Square, establishes Vukile as South Africa's premier retail property REIT

JOHANNESBURG, 17 November 2026 – Vukile Property Fund (JSE: VKE) will acquire a R16.1bn retail portfolio from the Old Mutual Real Estate Holding Company (OMREHC), establishing it as South Africa's largest retail property REIT by shopping centre floor space. The deal is among the biggest property transactions in South Africa to date.

The acquisition will increase the value of Vukile's domestic portfolio by c. 80% to R36.7bn and will lift total assets to R80bn when implemented, which is expected on or about 1 April 2027.

When the assets transfer, Vukile's SA portfolio will span in excess of 1.3m square metres of lettable retail space across 41 shopping centres that attract more than 265 million customer visits and generate over R45bn in sales each year.



“Quality acquisitions that meet our investment criteria are scarce in SA’s competitive retail property market,” comments ***Laurence Rapp, CEO of Vukile Property Fund****. “We proactively identified and pursued this major opportunity with Old Mutual to scale our specialist retail strategy. Securing this rare established portfolio of shopping centres is a big positive for us and is characteristic of our entrepreneurial approach to dealmaking.”*

The deal brings the value of Vukile’s transactions over the past 24 months to an impressive R40bn. These include acquisitions in SA and in Europe through its 99.7%-owned subsidiary Castellana Properties, which invests in Spain and Portugal, and Esperia Properties, which invests in Italy.

Value-enhancing capital allocation

The acquisition will be yield accretive from day one, with embedded scope for further growth in net income and value. It will be funded through debt and equity, with transaction gearing of 38%, keeping Vukile’s loan-to-value ratio within the 40% to 42% range.

Vukile raised R7.3bn in equity through an accelerated bookbuild, which closed after being oversubscribed 2.6 times. Overseas investors accounted for 34% of subscriptions and local investors for 66%, reflecting continued strong institutional support of Vukile. The shares were

placed at R24.37, being a 3.9% discount to the closing spot price. Joint arrangers for the bookbuild were Investec, RMB and Bank of America.

Until the transaction is implemented, the equity proceeds will be invested in pre-arranged short-term investment products yielding approximately 8.2%, mitigating cash drag. The transaction remains subject to conditions, including competition and exchange control approvals.

A compelling strategic fit

The 18 properties acquired from Old Mutual, grouped into eight retail nodes, span almost 515,000sqm across five provinces.



“All fit Vukile’s strategy of investing in nodally dominant assets with a base of strong tenants and room to grow earnings through Vukile’s active management expertise,” explains ***Itumeleng Mothibeli, Managing Director for South Africa at Vukile Property Fund.*** *“Vukile has developed initial integration plans for every asset and expects to create R182m in additional earnings from the properties with its proactive asset management approach, including reducing costs and vacancies and growing income streams.”*

Vukile's scale, specialised expertise and market-leading record in cost containment and energy management will drive operational efficiencies across the portfolio. Bringing the centres onto Vukile's existing operating platform will deliver further economies of scale, adding to the deal's attractiveness.

Enabling a seamless transition, Excellerate Real Estate Services (JHI), which provides property management services to Vukile, already manages all the acquired assets. It will continue in this role, with key members of the existing teams staying on to ensure continuity.

Landmark retail properties

The deal adds some of SA's best-known shopping centres to Vukile's portfolio, including the iconic Gateway Theatre of Shopping, a super-regional mall in Umhlanga and Cavendish Square in Claremont. Together, these properties account for more than 60% of the acquired portfolio's value. The portfolio also includes The Zone @ Rosebank in Johannesburg, known for its strong food and beverage and entertainment offering.



Three centres – Vincent Park in East London, Phumulani Mall in Tembisa and Kagiso Mall in Krugersdorp – are a close fit with Vukile's existing domestic assets.

Bedford Centre in Ekurhuleni and Riverside Mall in Mbombela offer opportunities for strategic repositioning and refurbishment, a proven strength of Vukile's with its most recent success being the turnaround of Mall of Mthatha in the Eastern Cape.

Vukile's unique consumer-led growth model

The acquisition broadens Vukile's exposure across shopper income levels, market segments and retail tenants, diversifying it into major metropolitan shopping centres and more affluent consumer markets, and complementing its established portfolio. The result is a portfolio with a virtually irreplicable combination of size, quality and spread.

Vukile built its reputation in SA in the township and rural shopping centre sectors, which will form 40% of the portfolio going forward, but its approach is not limited to those formats.

By placing the consumer at the heart of its retail ecosystem, Vukile uses its deep understanding of local shoppers and communities to shape centres around the people who use them. It creates vibrant retail hubs that attract more visits, encourage customers to stay longer and spend more, and that support tenants' trading, which ultimately delivers long-term value for investors. Its approach places Vukile at the forefront of retail innovation and shopper experience in SA and in Europe.

It manages major metropolitan centres comparable in size and standing to its newly acquired malls in each of Spain's three largest cities – Madrid, Barcelona and Valencia – and successfully applies its model to centres of different sizes and formats across Spain, Portugal and Italy. Vukile is also a 35% shareholder in specialist pan-European retail property asset manager, Pradera Limited, which has around €5bn of assets under management.

"Our enhanced domestic portfolio diversification, which now serves the full breadth of South African consumers and income groups, allows Vukile to put more of our Group capabilities to work in our domestic market," says Rapp.

High quality, low risk

The deal expands Vukile's regional diversification, increasing the Western Cape portfolio value to 15% from 9%. It also keeps Gauteng Vukile's largest regional exposure at 32% and introduces new, more affluent shopper markets in that region.

To enhance the acquired portfolio yield, reduce concentration risk and meet funding requirements, multi-strategy B-BBEE private equity firm Bopa Moruo will acquire a 49% stake in the company that will own Gateway Theatre of Shopping and The Gateway Hotel. Gateway Theatre of Shopping is the portfolio's largest mall and one of the biggest super-regional shopping centres in the Southern Hemisphere at 170,113sqm. As controlling shareholder, Vukile will earn an asset management fee on Gateway Theatre of Shopping and has a call option over Bopa Moruo's stake.

***Nthime Khoele, co-founder and co-Managing Partner of Bopa Moruo Private Equity**,says, "This co-investment reflects our approach to creating long-term, sustainable value with experienced partners. We look forward to working with Vukile to realise this flagship asset's potential and pursue our shared growth objectives."*

Parallel European growth

Prior to this transaction, close to 70% of Vukile's portfolio value was offshore. The acquisition shifts the balance to 46% of property assets in SA and 54% in Europe.
Vukile's subsidiary businesses operate independently of one another, allowing each one to grow in its home market without putting operational pressure on the others. Achieving parallel growth in Europe, Vukile expects to close around €265m in acquisitions in Italy over the next three to six months, at a blended yield of at least 8.5%. Funding for the acquisitions is already in place.

Long-term value creation

"Our latest acquisitions are defining transactions for Vukile. They give us a larger, more diverse retail portfolio and a clear path to grow our income through active management. Our position in our core investment markets is now even stronger," concludes Rapp.

Vukile remains well placed to deliver long-term value for stakeholders, with unchanged guidance for the year to 31 March 2027 at growth of 8% to 10% in funds from operations (FFO) per share and growth of 10% to 12% in dividend per share.

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