

## **PRESS RELEASE**

**16 March 2011**

### **Commission refers a collusion case in the retail property market**

The Competition Commission referred a case of market allocation in the retail property market to the Competition Tribunal ("Tribunal") for adjudication on the 15 March 2011.

This referral follows an investigation into allegation that Erf 179 Bedfordview (Proprietary) Limited ("Erf 179"), Liberty Group Limited ("Liberty"), Bedford Square Properties ("Bedford Square"), and Win Twice Properties (Pty) Limited ("Win Twice") colluded to divide markets by allocating customers and territories through two deeds of restraint.

All of these respondents compete in the retail property market around the Bedfordview area. Erf 179 owns Village View Shopping Centre, financial service group Liberty owns Eastgate Shopping Centre, Win Twice and Bedford Square are subsidiaries of HBW Group (Pty) Ltd both of which own Bedford Square Shopping Centre.

This case was initiated on 27 August 2009 following information received by the Competition Commission from a complaint and subsequent leniency applications from Bedford Square and Win Twice.

The Commission's investigation established that Bedford Square is being prevented from concluding lease agreements with Woolworths or Mica Hardware Store for a period of 11 years starting from 04 November 2003. The Win Twice restraint which commenced from 12 July 2004 prevents Win Twice from concluding a similar lease agreement for a period of 15 years. The Commission's investigation concluded that these restraints contravene section 4(1)(b)(ii) of the Competition Act in that they amount to division of markets by allocating customers or territories.

The Commission has since entered into a settlement agreement with Liberty which was confirmed by the Tribunal on 04 March 2011. The Commission has asked the Tribunal to impose an administrative penalty on Erf 179.

The Commission notes that there are pending proceedings in the North Gauteng High Court and an interim relief application in the Tribunal between Erf 179 and Bedford Square pertaining to the restraints that are the subject matter of the Commission's referral.

**ENDS**

Further Information:

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