

Fortress bookbuild oversubscribed

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Fortress Income Fund's development plans were given a boost when it raised R1.3bn in an oversubscribed accelerated bookbuild.



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CEO Mark Stevens said on Thursday, 18 February, that the funds raised would be used to pay for vacant land and certain projects. Stevens said that the oversubscription suggested investors were keen to support more equity raises this year.

The company's shareholder base has expanded since it took over Capital Property Fund last year. It also joined the MSCI Emerging Markets index, which prompted global index trackers to buy into it.

The bookbuild was raised by R300m from R1bn to R1.3bn following the oversubscription.

Fortress Fund, the best-performing property fund of last year, last week announced that it had grown its B-unit dividend 101.2% in the six months to December, in the period which saw it complete the takeover of Capital Property Fund.

The deal enhanced Fortress's portfolio, which was dominated by shopping centres that serve the country's commuter market.

Capital owns more industrial property than any other listed fund in SA and Stevens said he was trying to grow its "already impressive logistics assets". Its logistics pipeline is worth about R4.5bn, according to Stevens.

In terms of new acquisitions, Stevens said he had found various opportunities in retail.

"You are only as good as your latest results, and we keep this in mind as we progress as a fund. I believe that there are many opportunities in SA right now, in the retail space where we invest," Stevens said.

Source: Business Day

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