

Spooked property stocks have lost 16% this year

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Some light may be shed as to what caused renewed panic selling of real estate investment trusts (Reits) when Fortress releases its results on Friday, 2 February.



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Fortress, which has B units akin to normal shares and A units similar to preference shares listed on the JSE, was among Thursday's biggest casualties. Its B units closed 11.4% lower at R26.65 - the third time since the start of the year they have fallen more than 11% in a day. Including Thursday's plunge, Fortress B units have lost 37% so far this year, after ending 2017 at R42.20.

Fortress A units fell 2.2% to R17.25 on Thursday, taking their drop for the year to date to 7.6%.

Fortress followed the example of its 16%-owner Resilient in hastening the release of its results in an attempt to calm a market in which some unknown short-seller appears to be spreading rumours to drive the prices of the JSE's reits down.

On 19 January, Fortress said it would release its interim results on Friday rather than the originally diarised 8 February.

Fortress said in a voluntary trading update released on January 11 that it expected to report its B units would pay an interim dividend for the six months to end-December of between 14.5% and 15.5% higher than the 78.59c paid in the matching

period.

The JSE's South African property index fell 4.32% on Thursday, taking its loss for the year to 14%.

The exchange-traded fund that tracks the index, PropTrax, fell 4% to R61.85, taking it down 16% from the R73.43 at which it ended 2017.

The rand, which strengthened to R11.83 to the dollar on Thursday following an SABC report that President Jacob Zuma would "discuss his future" with the ANC top six this weekend, was trading at R11.896/\$ at 6.50am.

The rand was at R14.87 to the euro and R16.97 to the pound.

Source: BDpro

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