

## **British Property Seeks Irish Investors**

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Brian O'Mahony

THE Augusta UK Commercial Property Fund is offering Irish investors a chance to get in to the British property market. The fund is aimed at small investors and €1,000 will secure investors a share in the venture.

Augusta's Declan Kennedy says there is a huge appetite for investment in British property, with Irish people pumping €2.5 billion in to the market last year alone. Most of this investment has been by high profile wealthy individuals, with the sums involved excluding a lot of people who would like a chance to invest but do not have the financial muscle to get stuck in.

On a €1,000 outlay, investors can expect a return of €2,476 in eight years, less one fifth to take account of Irish capital gains at 20%. Given this is not exactly the bottom of the market for residential property in particular, should the small punter who can ill afford to lose money get involved?

"There's nothing exceptionally difficult in what we are trying to do. In essence what we are trying to do is allow the more modest investor take advantage of something which previously they would have found very difficult to get involved in and that's commercial property in the UK," said Mr. Kennedy.

In all, this will be a €4.5 million fund in which British bankers will have coughed up 75% of the cash. The remaining €2.5m will be raised, Mr Kennedy hopes, from Irish investors who feel the offer is worth the risk. Those who invested in the Irish Forestry Funds will be familiar with its performance, and Mr Kennedy is writing to 10,000 individuals telling them of what's on offer.

Mindful that these are greedy times, he says the deal here is to give those with modest sums a chance to get in on what is, by comparison with the bubble prone housing sector, far less risky in terms of investments at this stage. To put this in perspective, the banks will be funding 75% of the Augusta property portfolio.

It will also be assisted by Collier Jackson Stops, a group of property experts well conversant with the British market who have a reputation in this area. Mr Kennedy said his involvement with investors through the years suggests strongly that they want something less volatile than equities in which to put their money.

British commercial property meets the criteria they are looking for and this fund offers them the chance to get in an investment that meets their needs, he said. "Commercial property is still a good investment and we are trying to offer that opportunity to the modest investor."