

UK Property Fund Opens to Small Investors

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Business Section

The UK Commercial property market has been opened up to smaller investors through a fund launched by new firm Augusta Property Services.

Typically at least €10,000 is needed to invest in one of the commercial property funds sold by insurance companies. But the Augusta UK Commercial Property Fund works on the basis of preference shares, with one share costing just €1,000.

The fund will raise €4.5 million and leverage its capital, borrowing up to 75 per cent of the value of the properties. Colliers CRE will source the properties, while its Irish associate, Colliers Jackson Stops, will manage and value the property assets.

After an eight-year period, any profits generated by the sale of the properties will be distributed.

Augusta's managing director is Declan Kennedy, former chief executive of the Irish Forestry Funds, who said there was considerable demand for investment opportunities that could offer attractive returns, yet were less volatile than equities.