

New property counter to make its debut

By [Joan Muller](#)

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Property punters will have yet another new counter to choose from when New Frontier Properties makes its debut on the JSE's AltX this week.



Evan Jankelowitz: Wave of cash chasing property stocks. Photographer: Robert Tshabalala

The rand hedge real estate play, which has a primary listing on the Stock Exchange of Mauritius, currently owns only one building: a two-storey office block in the British Virgin Islands worth US1.7m.

However, according to the company's listing particulars, the target is to grow assets to \$150m by the end of 2017. New Frontier will look at investing in both completed, income-producing properties and new developments in countries that are at an early stage of economic development with high growth prospects. These include certain jurisdictions in East Africa, West Africa and high-growth countries bordering the EU.

New Frontier was founded by, among others, Gary Fourie, a director of the Billion Group, the development arm of JSE-listed Reboasis Property Fund, and Peter Todd, formerly involved with Redefine International.

New Frontier will be the ninth property company to list on the JSE over the past 12 months. In fact, latest data from the JSE shows that one third of all 24 new listings in 2014 (main board and AltX) were property companies.

Three new real estate counters listed in December alone: Abland's development play, Pivotal Fund, with a market cap of R5.2bn; mall owner Acision, with a market cap of R4.3bn; and German-focused Sirius Real Estate, with a market cap of R3.73bn.

While fund managers are likely to become increasingly selective about which new listings they support, there still seems to be plenty of money chasing listed property scrip.

Sesfikile Capital director Evan Jankelowitz says a wave of yield-hungry investors looking for a home for their cash has pushed demand for property stocks to unprecedented levels.

The SA listed property index touched a record high of 617 points earlier this week.

"Listed property's attractive yield, better-than-expected earnings and long-term growth profile make for an attractive home for these assets," says Jankelowitz.

Source: Financial Mail

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