

## **Fortress Income Fund launches R650 million Louwardia development**

The JSE listed Fortress Income Fund has officially launched the Louwardia Logistics Park, a R650 million A Grade logistics facility that is under development alongside the N1 in Centurion.

Speaking at the launch, executive director Andrew Teixeira said that Louwardia was part of the 1 million sqm of warehousing that is due to be developed by Fortress over the next five years. This equates to a combined investment of an estimated R8 billion in South Africa's logistics sector during that period.

Fortress Income Fund has become a powerhouse in the South African property industry since listing in 2009. Innovative asset management and a diverse property portfolio has seen the fund showing positive growth every year.

The fund focuses on development of prime logistic warehousing, retail centres and strategic offshore investments. Fortress owns 336 investment properties valued at R28,7-billion at the end of December 2016 and has one of the largest logistics property development pipelines in South Africa.

Louwardia, which will see approximately 90 000 sqm of warehousing developed on the 16,7 hectare site, is expected to be completed within the next 24 months.

The first phase, which comprises a 21 785 sqm warehouse with 1 843 sqm offices, is complete and ready for occupancy. It has already drawn a great deal of interest from prospective blue chip tenants.

National leasing manager, Grant Lewington, said that Louwardia was an example of the Grade A logistics facilities that the fund is developing in three major nodes - Gauteng, Cape Town and Durban.

The Fortress Income Fund's portfolio is strongly weighted towards logistics facilities located in prime locations. These are let to corporate tenants on long leases.

The focus on logistics is due to ever increasing demand for these sorts of facilities from companies operating in a highly competitive economy that is driven by imports, primarily through Africa's busiest container port, Durban.

South Africa's economy is transport intensive and imports destined for South Africa as well as neighbouring countries are expected to grow. Already logistics is one of the fastest growing service sectors in the economy, ensuring a strong income stream for the fund going forward.

Teixeira emphasised that, as long term holders of property, Fortress is focussed on delivering a quality product and was setting new trends in the development of logistics facilities in South Africa.

"In a tough economy where cost containment and efficiency are king, we are actually providing A grade logistics at a lower cost. With properties that offer high tech design that includes the likes of solar and natural light to reduce power consumption, strategic locations that make for more efficient distribution and properties that provide easy access and better turnaround times, we are effectively lowering the cost per pallet," he explained.

Lewington noted that Fortress continued to strengthen its position as the preferred developer of logistics warehouses by delivering a technically superior product that, together with the group's strategically located land, would ensure a sustainable development pipeline.

He emphasised that all of Fortress's parks were developed according to global best practice and to the highest standards. They include the provision of adequate internal height, flat floors, large loading areas with hard wearing concrete surfaces as well as good access to freeways and arterial routes.

The newly launched warehouse at Louwardia has a height of 13,5m to the underside of the eaves which offers efficiencies of scale and an FM2 floor which provides a solid platform for the erection of racking and easy movement of mechanised machinery with a 38m yard.

It also provides a secure park environment with 24 hour security, a central gate and electric fence as well as a fire system with central pumps and tanks that will serve the entire park.

Green building best practice is incorporated via features such as low maintenance indigenous landscaping that is fully irrigated and buildings that can accommodate photo voltaic cells for the production of electricity.

However, the key draw card remains Louwlandia's prime location with excellent highway visibility and accessibility to road, rail and domestic and international air freight hubs.

"It is well situated adjacent to the N1 highway between Johannesburg and Pretoria with access from the N1 via Brakfontein and Nellmapius Roads. It is also well connected to two major alternative routes (the R21 and N14) and provides easy access to both the OR Tambo and Lanseria Airports as well as major centres," he explained.

He added that the N1 frontage was a prime location with excellent highway visibility for signage and branding.