

Echo buys shopping centre in Poland

By [Alistair Anderson](#)

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JSE- and Luxembourg-listed Echo Polska Properties (EPP), a Polish property player, has acquired another retail asset, Galeria Solna in Inowroclaw, Poland, a step that moves EPP closer to becoming a pure retail property fund by 2019.



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CEO Hadley Dean said EPP's acquisition of another regionally dominant centre advanced its strategy of "building a Polish retail property champion".

EPP has made seven retail acquisitions over the past nine months, giving it a presence in 16 retail locations in Poland.

The 24,000m² centre is in a city with a large feeder area and "a proven track record since opening in 2013", said Dean.

EPP is working towards becoming a company that only invests in shopping centres.

"There are very strong rental growth opportunities in retail. We like the Polish office market, but we recognise better value in the Polish retail market. We want to dominate the shopping centre market of over 30,000msup>2 malls in the country," said Dean.

Most of its buildings are less than five years old. "[We should double in size from where we are now and be a €3bn fund by

asset size by 2020," said Dean.

Redefine Properties, which founded EPP, is still a big shareholder in the company and had a seat on the board. Redefine also has a role in EPP's strategy.

Ron Klipin, a senior analyst at Cratos Wealth, which is invested in EPP, said the acquisition strategy was attractive.

"Their lower-yield office portfolio should be sold soon and their capital recycled into higher-yield retail investments.

"I like the strategy of the Redefine team, with chairman Marc Wainer very active and hands on," said Klipin.

Meago Asset Managers director Anas Madhi said Poland was the most attractive foreign direct-investment destination in central and eastern Europe and is the biggest net recipient of EU funds on the continent.

EPP's share price, which is flat for the year to date, closed at R19.70 on Thursday, 13 July.

Source: Business Day

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