

Attacq invests in Cyprus shopping centres

Attacq, the South African real estate capital growth fund, has acquired a 48.75% stake in two shopping centres in Nicosia, the capital of Cyprus. The combined value of the two centres is estimated at €195m.



Attacq secured stakes in the landmark Shacolas Emporium Park and The Mall of Engomi. The deals were secured together with Atterbury Europe which will hold the remaining share.

The 55,600m² Shacolas Emporium Park is in the heart of Nicosia and comprises the 27,000m² Mall of Cyprus, a 20,000m² Ikea store and two smaller buildings. It attracts over five million shoppers and visitors annually. The Mall of Engomi is an 18,000m² retail centre located in the west of Nicosia and attracts more than 1.5 million visitors annually. Both centres have been identified for expansion, with the retail market in Cyprus primed for growth.

Diversification strategy

"These Cyprus acquisitions represent major investments for Attacq and form part of our bigger diversification strategy. Both new assets are prime shopping centre properties in Cyprus that perform very well," Attacq CEO, Morné Wilken, says.

"What makes Cyprus so attractive is that it is a market that has remained untapped by other international property development businesses. Atterbury Europe, together with Attacq as co-investors, have managed to get in at the bottom of the market, resulting in an excellent opportunity for upside benefit. We expect the properties to continue to perform well, but

also present growth and expansion opportunities as Cyprus emerges from its economic reforms," Wilken says.

Attacq, which has a market capitalisation of around R17bn, considers its investment into Cyprus as a well-timed and strategic move. The move extends its diversification into Europe, as Attacq already has exposure to property investment in Germany, Switzerland and the United Kingdom via a strategic 45.3% shareholding in JSE-listed MAS Real Estate Inc.

GDP growth

"Unlike Greece, Cyprus fulfilled its austerity commitments. The Cyprian economy now shows GDP growth and ratings agencies have upgraded the ratings of the Cyprian government's bonds in recent months. Attacq is confident about Cyprus and its economy. We believe we have made an opportune investment and expect great things from our new assets," Wilken says.

"Shacolas Emporium Park is the dominant mall in Cyprus and its additional bulk can easily cater for future retailer demands for space. Such extensions will increase the gross lettable area and ultimately add further value to the mall. This is in line with our strategy to develop new malls and acquire existing malls with opportunities to add value through active asset management, extensions and redevelopments.

"The Mall of Engomi also has great revitalisation potential and we foresee that it will expand in the near future. Both these acquisitions serve our business focus areas of investments and developments and will go a long way to diversify our assets through effective partnerships," concludes Wilken.

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