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Momentum fund raises \$150m to invest in Africa

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The Momentum Africa Real Estate Fund has raised \$150m (£96m) to invest in property in sub-Saharan Africa outside South Africa.

The fund, which is run by Momentum Global Investment Management in conjunction with sister company Eris Property Group, raised \$103m at second close bringing the total raised so far to \$150m.

The final phase of fund raising is scheduled to conclude next year and total commitments are capped at \$250m.

The fund's aim is to capitalise on a growing need for quality retail, office and industrial real estate.

Warren Schultze, chief executive of Eris Property Group, said: "We are currently reviewing projects in Mauritius, Ghana, Mozambique, Nigeria, Rwanda and Zambia, all of which present tremendous opportunities for our investors and the local communities in which they are based. Our investment pipeline includes more than a dozen projects and we expect to commit funds to at least two of these projects prior to the end of 2015."

The second close will enable the fund to step up its investment activity.

David Lashbrook, head of Africa real estate at Momentum GIM, said: "Achieving the second close is a meaningful milestone because it gives us a larger war chest to commit to a swelling investment pipeline. We are currently working on the mitigation of key development risks on several projects so they can be presented for approval. We believe that de-risking projects before transferring them into the fund will help it to achieve the minimum 18% return target over its eight year life."

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