

# Launches aim to profit from fall in property prices

**By Barney Hatt**

Cornelian Asset Managers and Residential Property Asset Management (RPAM) have launched residential property funds looking to take advantage of steep falls in residential property prices over the last 18 months.

Edinburgh-based Cornelian launched an unregulated collective investment scheme in a joint venture with property management company Grant Management, which will focus on traditional residential properties in university towns and cities across the UK, excluding London and the South East of England.

The partnership will invest over a 12- to 15-month period to build up a portfolio of proper-

ties with a gross property yield of 7%.

John Jackson, Cornelian's chief operating officer, says he expects to raise between £10m and £20m for the five-year fund, with borrowing creating a maximum fund size of £40m. Minimum investment is £25,000.

According to Jackson, strong demand from IFAs has meant the closing date for the fund has been extended to 23 September.

Jackson points to opportunities to take advantage of the underlying value in "carefully selected, traditional residential property that is attractive to the student market for rental".

RPAM's property recovery launch, a five-year closed-ended investment vehicle, will focus on

distressed or mispriced residential property in the Midlands and North of England.

The fund aims to raise £10m from investors to create a maximum fund size, with borrowing of £25m.

Available to private investors, including Sippes and institutions, the minimum investor contribution will be £25,000. The fund aims to purchase properties with a gross property yield of 8% or more.

RPAM executive director Barney Buik says: "We believe an unprecedented opportunity is presenting itself in the residential market at this low point in the cycle, while sentiment is weak, to acquire a quality diversified residential portfolio."