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## Pengana, Challenger look to Euro REITs

*Christine St Anne*

Two Australian fund managers have capitalised on the growing European real estate investment trust (REIT) market by expanding their investments in the region.

Pengana Capital has teamed up with UK fund manager Credo to launch the Pengana Credo European Property Trust, which has already invested in three German properties worth \$158 million.

Challenger has bought six French industrial and retail property trusts for \$91.5 million.

"Europe has really developed its REIT

market providing us with new investment opportunities," Pengana executive chair Russell Pillemer said.

Although Pengana has a London office, Pillemer said more on-the-ground staff were needed as the trust invested in direct properties.

"Europe is a faraway market and we found Credo had the right level of experience connected with that market," Pillemer said.

The Challenger Diversified Property Group (CDI) now has 12 per cent of its portfolio allocated to European properties

following the acquisition of the French properties.

It is the first European deal since Challenger's joint venture with the London-based Protego Real Estate Investors in February.

"The Challenger-Protego joint venture is already providing tangible benefits to CDI. The French industrial property market is highly competitive and this transaction demonstrates Protego's ability to secure quality European assets for CDI," CDI fund manager Carmel Hourigan said.