

# Inospace, Fortress sign R1.25bn JV, helping SMEs with last-mile logistics

Branded business parks owner and operator Inospace and Fortress Reit have signed a R1.25bn last-mile logistics partnership that will launch with an initial portfolio of 20 industrial properties in Cape Town and Johannesburg. Fortress has contributed 12 multi-let assets, with Inospace contributing the balance.



Inospace CEO Rael Levitt

The combined portfolio, comprising warehouse, logistics, storage and work space, spans a total lettable area of 200,000m<sup>2</sup>, with over 600 tenants. All the parks will be branded and repurposed to provide facilities such as staffed business hubs, meeting rooms and business storage.

According to Inospace, a new range of amenities will be introduced to the parks to assist SMEs with last-mile logistics, including rigging and lifting equipment, handling apparatus, packaging materials, waybill printers and an online courier and shipping platform.

## Favourable supply and demand fundamentals

According to Inospace CEO Rael Levitt, the demand for SME-focused industrial spaces predated the Covid pandemic. "With little new multi-let mini-industrial construction in a decade, favourable supply and demand fundamentals have resulted in low vacancies and strong demand by smaller companies. We are in a dynamic property niche with strong tail-winds which is proving to be structurally resilient."

The transaction resulted from a trial with two Fortress owned properties in Gauteng, which were successfully repositioned into serviced business and micro-logistics parks named Wadeville Works and Electron Exchange.



### Potential impact of Russia-Ukraine conflict on SA's commercial property market

John Loos 7 Mar 2022



Subject to suitable investment opportunities, Inofort may consider opportunities to grow the JV's portfolio primarily through acquiring and repurposing additional assets from Fortress or finding other portfolios which suit their optimisation model.

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