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## Be prepared to pounce, Aviva urges property investors

Story by: Miyuki Seguchi

Property investors should diversify their portfolios as growth opportunities emerge in specific regions and asset classes this year, according to Ian Womack of Aviva Investors.

Mr Womack, global chief executive for real estate for Aviva Investors, said: "This year marks a welcome return to fundamentals-driven growth. Short-term real estate performance may be less racy than in the recent past, but opportunities can still be found by differentiating between regions, assets and income growth lines."

He said that good prospects existed in the Asia Pacific market, especially for investors wanting good income growth.

Mr Womack cited Hong Kong, Singapore and Australia in particular, while in Europe, Germany, France the Nordics and parts of the UK also offer potential for growth.

He added: "In Japan and the US, two markets that have to some extent lagged the recovery elsewhere, investors may still be able to benefit from a yield correction ahead of a future turnaround in rental levels.

He said that investors have largely recovered their poise and taking advantage of cyclically low pricing to increase exposure to real estate. Also, sovereign wealth funds have been steadily building property portfolios, said Mr Womack.

Mr Womack added: "The low interest rate environment continues to provide a strong incentive to invest in higher-yielding assets or real estate.

"Property investors should see this year, and beyond, as an opportunity to demonstrate skill in picking relative winners and identifying mis-priced value."

However, Carl Lamb, managing director for Norfolk-based Almary Green Investments, said: "I take the opposite view. Real estate is not the place to invest at the moment with current economic uncertainty in the UK and the world.

"It is crucial to diversify and invest in a wide variety of asset classes according to age and risk profile."