Londonmetric Sells Three Retail Assets for £61 Million

Wednesday 15 March, 2017

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LondonMetric Property Plc (“LondonMetric”) announces that it has sold three retail parks in Christchurch, Bedford and Maidstone for £60.9 million (LondonMetric share: £52.6 million).

At Christchurch, the 104,000 sq ft retail park has been sold to clients of Orchard Street Investment Management for £34.5 million, reflecting a NIY of 5.65%. The property was purchased in 2013 for £27.1 million and since then new lettings have been signed with Costa, DFS, Home Bargains and Subway. The WAULT is 7.0 years.

At Bedford, the 66,000 sq ft Alban Retail Park has been sold to the Tritax Property Income Fund for £14.4 million, reflecting a NIY of 5.9%. The property was acquired in 2010 for £9.2 million and, following asset management initiatives with B&M, Dunelm and Gym Group, rental income has increased by over 30%. The WAULT is 8.3 years.

At Maidstone, a DFS property has been sold to clients of Helix Property Advisors for £12.0 million (LondonMetric share: £3.7 million) on behalf of the Company's DFS joint venture, reflecting a NIY of 7.5%. The property was acquired in March 2014 as part of a portfolio of DFS stores off an overall NIY of 9.3%. The joint venture retains 12 stores.

The disposals are at September 2016 book value and crystallise an ungeared IRR of 12.5%.

Andrew Jones, Chief Executive of LondonMetric, commented:

“These have been very successful investments and we will continue to sell our well let mature retail assets upon completion of their business plans. Our retail park investments have halved over the last two years and now represent 13% of our total portfolio.

“The sale proceeds will be invested into our logistics investment and development programmes where rental growth prospects look more attractive.”

LondonMetric was advised by Cushman & Wakefield on Christchurch and the purchaser was advised by Savills. On Maidstone and Bedford, the purchasers were advised by Edgeley Simpson Howe and Harvey Spack Field respectively.

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