

£400m MEPC strategy shift

■ Sale of three mixed-use estates will fund developer's move into science and technology

BY RICHARD WILLIAMS

Developer MEPC has put three business parks on the market for a combined £400m, as it shifts its focus onto science and technology estates.

MEPC, backed by Hermes Real Estate, which manages the BT Pension Fund, has appointed JLL to sell the three regional assets as it looks to reinvest the funds into acquiring specialist science and tech parks.

For sale are the mixed-use estates of Chineham Park in Basingstoke, Hampshire; Birchwood Park in Warrington, Cheshire; and Hillington Park in Glasgow.

MEPC, which has seven business parks in its portfolio comprising more than 7.4m sq ft of space, signalled its intentions to concentrate on the highly-skilled sector with its continued investment in the 250-acre science estate Milton Park, in Oxfordshire, and its acquisition of Silverstone Industrial Estate in September 2013 for £32m.



Shining light : the Innovation Centre at Hillington Park

The other two estates being retained by MEPC are Clyde Gateway East in Glasgow and Wellington Place, Leeds.

Silverstone has 200 acres of development land surrounding the racing circuit with planning permission for a 1.3m sq ft business park – focused on automotive engineering – and a 675,000 sq ft technology park.

The three sites to be sold comprise a

combined 4m sq ft of mixed-use space and are let to 510 tenants.

The developer will look to sell the assets as a portfolio. Hillington Park is the biggest site, totalling some 2m sq ft across 267 acres. Birchwood Park is just under 1.2m sq ft and Chineham Park 813,000 sq ft.

A sale at £400m would reflect a yield of around 8.25%.

Chris Taylor, chairman of MEPC and chief executive of Hermes, said it was looking to recycle capital from its existing assets into the science and technology market.

Taylor said: "I believe we can redirect that capital more innovatively. What we are trying to do is reposition MEPC and look at tomorrow's occupation requirements and changes in technology. We see UK activity is going to be driven by technology.

"We have seen the impact technology is having on business parks, especially out-of-town, and are trying to anticipate tomorrow's world and shape the future in turn with occupier requirements.

"MEPC will focus on its remaining core assets and will continue to look for new development-led opportunities, capitalising on our proven ability to anticipate future occupational requirements."

■ See Markets, p35 for more on office, business and science parks

Blo wants to make waves in London

A US blow dry bar called Blo is looking to open its debut sites in London, with plans to grow the businesses to between 10-15 salons across the capital.

The brand, which trades from around 40 franchise

sites across the US, Canada, Russia and the Philippines, has appointed agents at Nightingale Partners to help it find its first sites.

The search for sites of around 400-800 sq ft is focused on high footfall

locations including Covent Garden, Soho, Kensington, Chelsea, Marylebone, the two Westfield shopping centres and the City of London.

If successful in London the concept – which offers blow dries for £28 and will seek to target office and residential locations – will look to rollout across the UK's major cities. It hopes to open its debut site, expected to be in Covent Garden, before the end of the year.

The concept differs from blo by realhair which currently has two sites in central London.



Bayswater hotel resi play



High-end residential developer Fenton Whelan has bought the Royal Bayswater Hotel for an £80m luxury residential redevelopment.

Fenton Whelan, set up by former City bankers Sanjay Sharma and James Van den Heule, bought the site from Hong-Kong based Richfield

Realty Group for a price thought to be more than £35m.

The site has consent for a new seven-storey building with retail space and 22 luxury apartments, with values expected to reach £2,000/sq ft.

Fenton Whelan's Aurium Real Estate London Ultra-Prime Fund acquired the site.

Kennedy Wilson Fordgate deal

Kennedy Wilson Europe Real Estate has bought loans secured against the mixed-use Fordgate Jupiter Portfolio worth £119m.

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M&G buys 108 Cannon Street

M&G Real Estate has bought the freehold of 108 Cannon Street from Chenavari Investment Management for around £21.5m.

■ More at propertyweek.com

Whiteley second phase starts

British Land and Universities Superannuation Scheme have started work on the 60,000 sq ft second phase of Whiteley, in Hampshire.

■ More at propertyweek.com

Ignis fund goes PAIF

Ignis Asset Management has converted its £1.2bn UK Property Fund into a Property Authorised Investment Fund.

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