Economic Background

In our last market update in October 2011, we reported on a loss of market confidence due to the sovereign debt burden imposed on all European economies by the Southern Eurozone countries. The concerns expressed then have been realised as most European countries economies shrank during the fourth quarter of 2011. The Greek sovereign debt crisis could potentially be resolved at least in the short term with a second tranche of support, currently close to being agreed, but this will not solve the country’s uncompetitive trading position which calls for a return to a weaker currency.

Britain’s economy was not immune from these outside economic factors and UK GDP contracted by 0.2% over the fourth quarter of 2011. Fears that the UK economy would fall back into recession with two successive quarters of negative GDP growth have been tempered by recent surveys which suggest that the economy may alternate from negative to positive growth quarter-on-quarter through the first half of 2012, or zig-zag as described by the Governor of the Bank of England.

Speculation mounted that GDP will fall for a second consecutive quarter, tipping the UK back into recession. But according the Confederation of British Industry (CBI) 2012 Forecast, although the level of uncertainty around the economic outlook is high, it is likely that growth will restart in early 2012. Business survey data has suggested that activity picked up in December, while momentum has improved further into the New Year.

The CBI’s 2012 GDP forecast is a little lower than forecast in November; the difference mainly reflecting the impact of the previous quarter’s decline in GDP. For the year as a whole CBI expects growth of 0.9%. It expects conditions to be somewhat better in 2013 and forecasts growth of 2.0%, only slightly below the previous estimate of 2.2%.

The Bank of England’s Monetary Policy Committee continues to maintain the historically low Base Rate of 0.5% and is implementing a further round of £75 million of quantitative easing.
The Chancellor of the Exchequer continues to hold to his Plan A for cutting the national debt but there is now pressure from many sources to find some means of stimulating the sluggish UK economy. To date the private sector has not grown sufficiently to offset the cut backs in public sector spending and more significantly the reduction in the public sector workforce.

The UK inflation figures provided better news with rates falling back as exceptional items including last year’s hike in VAT drop out of the annual figures. The Consumer Price Index (CPI) fell to 3.6% in January 2012 down from a peak of from 5.2% in September 2011. Annual CPI inflation has now fallen by 1.2 percentage points since November 2011; the only time there has been a larger fall over a period of two consecutive months was between October and December 2008.

RPI annual inflation stands at 3.9 per cent in January 2012, down from 4.8 per cent in December 2011 and its September 2011 peak in of 5.6%. It is now at its lowest level since February 2010 when it stood at 3.7 per cent. The largest downward pressures to the change in RPI annual inflation between December 2011 and January 2012 came from motoring expenditure, alcoholic drinks, food, and tobacco.

The unemployment rate for the three months to December 2011 was 8.4 per cent of the economically active population, up 0.1 on the quarter. The last time the unemployment rate was higher was in the three months to November 1995. The total number of unemployed people was 2.67 million at year end an increase of 48,000 over the fourth quarter. This was the smallest quarterly increase in unemployment since the three months to June 2011.

The December data from Land Registry's flagship House Price Index shows an annual price decrease of 1.3% which takes the average property value in England and Wales to £160,384. There was no monthly change from November to December. The only region in England and Wales to experience an uplift in its average property value over 2011 was London with an increase of 2.8%.

3 month LIBOR has increased over the last three months and is now in the region of 1.08% but with receding risks of any imminent rise in Base Rate, SWAP rates have continued to fall, with 3 year SWAPs at only 1.30% and 5 year SWAP at 1.55%. Despite these low rates the levels of new lending on commercial property continues to be restricted.

**UK Property Market Trends**

The IPD quarterly index for all UK property showed total returns of 7.8% in 2011. This includes capital growth of 1.7% and compares to total returns of 15.2% and capital growth of 8.3% for 2010. Central London offices were the strongest performer with a 12 month total return of 12.8% in the City and 12.5% in the West End. Standard retail units in the South East and retail warehouses nationally have also performed above average with total returns of 8.8% and 8.3% respectively, sustained by positive capital growth and income return.

Office rental growth continued to slow in Q4 2011 as the Central London markets lost momentum. CBRE reported that prime UK office rents grew by only 0.1%, with most of the regional markets seeing some minor growth in Q4. Against that trend, prime rents eased slightly the South East and Eastern regions. Central London markets displayed some variation, with the emerging prime Southbank market seeing rents grow by 2.1%, whilst the City saw a small decline in rents.
Over 2011 CBRE report that office rents grew by 1.7%, the strongest of the three property sectors. The Southbank and West End of London markets saw prime rents move up by 4.8% and 4.3% respectively. Prime office yields were flat in the last quarter at 6.0%, as positive investor sentiment waned. Across most regions outside of the South East there was some mild upward pressure on prime yields, illustrating growing anxieties over the outlook. Central London and the South East saw greater stability, with investor focus still relatively strong in these areas.

Central London Office Market

Both capital and rental growth slowed during the second half of 2011. Prime City and West End office yields remained flat in Q4 2011 at 5.25% and 4.0% respectively. Central London office yields are likely to remain stable as long as strong interest from offshore investors continues to underpin values. However, the prospect of lower short term rental growth in the City and Docklands due to staff reductions and reduced space requirement in the financial services sector could result in further easing of yields for City offices.

Central London office take-up improved in the second half of 2011. Knight Frank reported that the last two quarters of the year both matched long-term average levels of 3.0 million sq ft. Take-up for the year totalled 10.7 million sq ft, down 27% from 2010 reflecting the slower global economy.

Central London office availability finished the year at 16.9 million sq ft, a vacancy rate of 7.3% compared to 8.1% in 2010. Supply rose marginally in the final quarter as large amounts of space, including 590,000 sq ft at The Shard, were added to the figures. Overall Knight Frank predicts that vacancy rates will fall in the coming months. Although a number of projects started on site in the City and West End, speculative development activity only increased marginally to 5.1 million sq ft. Development levels remain below long-term average and will fall considerably with almost 1.2 m sq ft of this total due to reach practical completion within the next six months.

In a separate report E C Harris note that refurbishment of existing stock will be a strong option for owners seeking to maximize the potential of their properties as the construction of new buildings will be driven by tenant demand with pre-letting of a significant proportion needed to secure bank financing.

City of London

Knight Frank report that City take-up at 1.4 million sq ft was slightly down on the long-term average figure of 1.5 m sq ft. This concludes what has been a relatively slow year for City office demand, with annual take-up totalling 5.3 million sq ft, down 29% on take-up in 2010, reflecting the global economic slowdown.

These figures contrast with CB Richard Ellis who state that a strong finish to the year in the City reflected a 9% increase on the previous quarter but was still 5% below the long-term average. They recorded only 3.8 million sq ft leased during 2011 overall, down 40% from 2010 and 16% lower than the 10-year average. They put this weaker performance down to City occupiers, particularly from the banking and finance sector, being most affected by the Eurozone debt crisis. Take-up in Q4 was concentrated on secondhand space (72%), which is significantly higher than the long-term average (60%).

Prime Core City of London office rents were unchanged at £55.00 per sq ft as at year end 2011. Effective rents somewhat lower reflecting the 21 months to 24 months of rent free available on a new 10 year lease. CBRE predict that prime rents are expected to come under pressure during the year ahead with rent-free periods likely to increase in the first
instance helping to support headline rents. They believe however that rents should start to increase again in 2013 as the pace of economic growth picks up.

West End

West End office supply continues to be constrained with availability at year end 2011 at 4.57 million sq ft (including projects under construction) representing 5.90% of total stock, according to Strutt & Parker’s Q4 2011 report, a decrease of just under 650,000 sq ft from the previous quarter. A year earlier West End vacancy stood at 7.10% and the current rate is below the 3 and 5 year average vacancy rates of 6.82% and the 6.14% respectively. Excluding stock which is under construction, the completed supply figure stands at only 2.61 million sq ft or 3.40% of total supply, which is the lowest it has been since Q3 2008.

Total Q4 2011 West End take up was over 807,000 sq ft, the highest recorded quarter since the peak of the market in Q4 2007 and is well above the 3 year quarterly average (548,000 sq ft) and 5 year quarterly average (650,800 sq ft). The annual take up for 2011 of 2.66 million sq ft is also the highest it has been since 2007.

The top headline rent achieved in Mayfair was £102.50 per sq ft at 1 Grafton Street. High headline rents were also achieved in Soho with £92.50 per sq ft being paid by Generation Investment Management for 21,300 sq ft at AirW1 in Air Street, just off Regent Street, a new 180,000 sq ft prime Grade A office development by The Crown Estate and Stanhope, and £90.60 per sq ft was achieved at 25 Great Pulteney Street, W1. Elsewhere, John Laing agreed to pay an average rent of £63 per sq ft for 25,000 sq ft at 1 Kingsway, WC2 and north of Oxford Street investment manager PIMCO are paying an average rent of £65 per sq ft for 57,200 sq ft at 11 Baker Street, W1. The largest West End leasing deal saw Savills take 64,000 sq ft at Marcol House in Regent Street, W1 for an initial average rent of over £68 per sq ft.

M25 & Thames Valley Office Markets

2011 ended strongly with increased take up across the M25 and Thames Valley office markets in the second half of the year. Knight Frank reported that M25 take-up was 743,157 sq ft in Q4 2011, taking the total for 2011 as a whole to 2.15 million sq ft, a similar total to 2010. Q4 take-up was focused on good quality accommodation, with New and Grade A space accounting for 85% of the total.

M4 take up for the year at 619,600 sq ft was 10% below 2010 levels with the majority of activity in Hammersmith, Maidenhead and Reading, whilst M3 leasing volumes were 6% above 2010 levels at 736,000 sq ft. Take up of New and Grade A space has seen M25 vacancy rates reduce from 8.7% to 8.3% at year end. M4 vacancy has also fallen from 11.1% to 10.7% but M3 availability increased from 9.2% to 9.6% in Q4 2011. This increase was mainly due the three large occupiers, Nokia, Oracle and BAE Systems vacating a total of 600,000 sq ft in the second half of 2011.

Nestle’s acquisition of 126,523 sq ft at 1 City Place, Gatwick will see the company move further south along the M23 corridor from its long term base in Croydon. By contrast the largest M4 leasing deal in the fourth quarter saw BP take 67,850 sq ft at 1, 5 & 7 New Square, Bedfont Lakes, south of Heathrow airport. Going forward, it is encouraging to note that recorded demand moved up in Q4 2011 to 6.15 million sq ft across the M25 and Thames Valley markets.

Speculative development is re-emerging as investors and developers recognise the diminishing supply of new space in these markets. Completions are set to improve over the next two years with Strutt & Parker reporting that 873,000 sq ft of speculative development either on site or due to start shortly. 340,000 sq ft is due for completion this...
year in five projects in Richmond, Chiswick, Uxbridge Weybridge, and Woking. 2013 will see an additional five projects complete totalling 533,000 sq ft in Hammersmith, Chiswick, Staines and Maidenhead. Knight Frank are forecasting rental increases in 2012 in a number of markets including Hammersmith, Chiswick, Staines, Uxbridge, Reading, Croydon and Gatwick.

**Investment Market Activity**

UK investment volumes totalled £33.51 billion according to CoStar; a 4.36% decrease on the total amount recorded in 2010 (£35.04 billion) and a 23% increase on 2009 (£25.81 billion). The London and South East regions accounted for around 56.5% of all UK deals by volume. In the office sector, London and the South East region took the lion’s share of investment, accounting for 82.5% of total office transaction volumes. The student housing sector saw largest growth in investment activity from 2010 to 2011, with a fourfold increase from only £261 million in 2010 to £1.076 billion in 2011.

In the City investment market, Cushman & Wakefield reported 2011 volumes reaching £6.3 billion, despite some investors have become more cautious and holding out for better opportunities in 2012. The weaker outlook for the occupational market has reduced investor appetite for riskier stock at current pricing, although freehold assets with secure long income streams continue to generate strong interest. Demand for properties below £20 million is particularly strong, attracting premium bids from overseas private equity investors. Prime City of London yields are stable at 5.25%.

The West End investment market slowed in Q4 2011, with volumes down to £790 million from £1.43 billion in Q3. Strong demand from a range of investors including sovereign wealth funds, UK and overseas institutions, private property companies and high net worth individuals continues to underpin investment values. Supply is still thin however and as a result there has been a rise in interest for secondary and short term income property opportunities. Prime West End office yields were unchanged at 4%.

Outside London, an increased investment volume of £854 million in the Thames Valley during Q4 2011 was heavily influenced by the £400 million sale of Green Park, Reading and the £140 million sale of Reading International. These and other investment transactions in the quarter are evidence of the appetite of offshore investors for the higher yields available outside Central London.

At a regional level, active demand has stayed strong in key regional markets such as the Thames Valley, while investment demand is improving for well leased prime assets in large regional cities such as Manchester and Glasgow. Strutt & Parker report although office transaction volumes in total were down 11% compared with 2010, Property Data research shows 2011 transaction volumes outside Central London of £7.1 billion, reflecting a significant increase of 61% on £4.4 billion recorded in 2010. Demand for prime assets has led to a sharpening of prime yields by up to 25 bps over the last 12 months as investors continue to pay a premium for quality and scarcity of stock.

**Outlook**

Despite fears of a double dip recession in the first half of 2012 as a result of external forces and the UK’s slow response the Chancellor’s aim of rebalancing the economy, there are some positive signs that eventually things will get better. Inflation has started to ease and is expected to be at or close to the 2.0% target rate by the second half of 2012. Bank of England Base Rate is likely to be held at its current 0.5% level for some time to come and SWAP rates remain at historically low levels. UK companies active in world markets have been able to prosper and manufacturing has shown some signs of a revival with new investment in added capacity.
The first half of 2012 is likely to be difficult with little good news on the economic front but property is a long term investment and investors should see periods of uncertainty as windows of opportunity to acquire assets while others hesitate. UK property can provide good current income returns and capital growth in the longer term. Sterling is also lower against the dollar than at the height of the boom in 2007.

It is difficult to pick the exact bottom of a market and few investors were bold enough to buy in the first half of 2009 but those who did have prospered. Any dip in capital values in the first half of 2012 will probably be modest with optimism about the future returning in the second half of the year following the dual feel good factors of the Queen’s Diamond Jubilee followed by the London 2012 Olympic and Paralympic Games.

Recent UK Investment Transactions

City of London

Milton and Shire House, One Silk Street, EC1
Permodalan Nasional Berhad, the Malaysian investment fund, paid £350 million for this 456,863 sq ft. The building is leased to law firm, Linklaters until September 2021 at a rent of £16.1 million per annum. The price reflects a net initial yield of 4.35% and a capital value of £766 per sq ft.

3 Bunhill Row, London, EC1
Henderson Global Investors, on behalf of Warburg - Henderson, sold this 101,516 sq ft office building to private middle-east investors for in excess of £80 million. The property is leased to law firm Trowers & Hamlin. The purchase price reflects a net initial yield of below 5.5% and a capital value of £788 per sq ft.

Woolgate Exchange, 25 Basinghall Street, EC2
Following its acquisition of Milton and Shire House in December 2011, PNB Holdings has placed under offer the 340,000 sq ft Woolgate Exchange for £270 million. The building’s principal tenant is German bank WestLB. The purchase price reflects a net initial yield of 5.7% and a capital value of £794 per sq ft.

1 Bartholomew Lane, EC2
Hines purchased this 79,400 sq ft office building, completed in September 2010, in joint-venture with Korea Investment Corporation, at a price in the region of £75 million. The purchase price reflects a capital value of £945 per sq ft.

60 Threadneedle Street, EC2
Hammerson plc sold the freehold of this 214,200 sq ft office building to Kuwaiti controlled St. Martins Property Investments Limited for a net price of £176 million, £5 million of which is deferred subject to certain conditions. The building, which was completed by Hammerson in January 2009 at a cost of £124 million, forms part of the site previously occupied by the London Stock Exchange. The price reflects a net initial yield of circa 4.75% and a capital value of £822 per sq ft.

Royal London House, EC2
This 123,884 sq ft office block was sold to a Jersey based investor for a reported £30 million. It has been reported that the building is likely to be redeveloped as a mixed used project to include a hotel. An application was granted in 2007 for a refurbishment and creation of 206,755 sq ft of office space, although no works have taken place. The purchase price equates to a capital value of £242 per sq ft.
107 Cheapside, EC2
A fund managed by Invesco Real Estate acquired this 183,000 sq ft office and retail building for £125 million. The building is let to 13 tenants at an average office rent of £39 per sq ft, and produces an income of £7.5 million per annum. The price reflects a net initial yield of 5.4% and a capital value of £683 per sq ft.

Faryners House, 25 Monument Street, EC3
PRUPIM sold this 1971-built 64,760 sq ft office block to a private Greek investor for close to the guide price of £30.3 million. The block is leased to Lloyds TSB Bank for a term of 50 years from 19 January 1972, expiring in January 2022. The purchase price represents a net initial yield of 6.0% and a capital value of £468 per sq ft, which reflects the age of the building which has redevelopment potential at the end of the lease term.

Docklands
1 Cabot Square, Canary Wharf, E14
Qatar Investment Authority paid £325 million for Credit Suisse’s Canary Wharf headquarters in a sale and leaseback transaction. The 540,000 sq ft office building is leased to Credit Suisse for at least another 20 years, at around £37.50 per sq ft. The price represents a 5.3% net initial yield and a capital value of £602 per sq ft.

Midtown
Aldwych House, 71-91 Aldwych, WC2
GI Partners and Rowan Asset Management paid £82.7 million to Consolidated Real Estate Management Services for the freehold of this 163,500 sq ft office building. Aldwych House was built in 1926 and last renovated in 1988. It is 89% let to 11 tenants over ten floors. The seller is understood to have provided guarantees to cover rent, business rates and service charges on the vacant space. The price reflects a net initial yield of 6.5% and a capital value of £506 per sq ft.

West End
60-62 St Martin’s Lane, WC2
Fund manager Threadneedle sold this 32,000 sq ft office property in Covent Garden for £37 million, only nine months after acquiring it for £26 million. The property was fully let to media firm Havas on a 15-year lease, just six weeks after the fund manager purchased the block in May 2011.

28/29 Savile Row, W1
Great Portland Estates has exchanged contracts to sell this 15,980 sq ft of office and retail building to a joint venture between Aerium Finance and Allied London for £16.3 million. The office accommodation is vacant, providing a refurbishment opportunity, and the retail unit produces a gross rent of £200,000 per annum. The property is held on a long lease from The Pollen Estate, expiring March 2150, at a ground rent of 10% of rents received. The sale price reflects a capital value equivalent to £1,133 per sq ft on a freehold basis.

50 St James's Street, SW1
This 35,000 sq ft building, formerly the Jamaican High Commission, has been sold for around £75 million to a Russian investor. Undisclosed investors have sold the block for conversion to a club, after it was closed as an illegal gaming club in 2009. The price equates to approximately £2,140 per sq ft.

200-206 Regent Street, W1
The Regent Street Partnership, The Crown Estate and Norges Bank Investment Management’s joint venture, has exchanged contracts to buy the 73 years head leasehold
interest of this Grade II Listed 48,000 sq ft office and retail building for £50 million. The Freehold of the property is held within The Regent Street Partnership, formed in January 2011 when The Crown Estate sold a 50% share in its Regent Street estate.

61-65 Conduit Street, W1
Orchard Street Investment Management LLP, on behalf of St James's Place property funds, acquired this 32,000 sq ft office and retail building from Threadneedle Investments for £36 million, 50% more than the price Threadneedle paid for it two years ago. The purchase price represents a net initial yield of 4.68% and a capital value of £1,125 per sq ft.

1 Kingdom Street, Paddington Central, W2
The Cityhold Property AB group, a joint venture between Sweden's two National Pension Funds, has acquired this 260,000 sq ft office building from Union Investment and Aviva Investors for a total of £230 million. The headquarters office building is leased to a number of tenants including Vodafone, Statoil and Misys. The price reflects a yield of just under 6.0% and a capital value of £885 per sq ft.

Eland House, Bressenden Place, SW1
Land Securities has sold this 253,000 sq ft office building to Tishman Speyer for £171.1 million. Built by Land Securities in 1995, the property is leased to HM Government and houses the Department for Communities and Local Government (DCLG) under a lease expiring in 2021 with a tenant’s break option in 2016. The sale price reflects a net initial yield of 6.8% and a capital value per square foot of £676.

Outer London

3 Furzeground Way, Stockley Park, Heathrow
LaSalle Investment Management purchased this 77,827 sq ft office building from Invista for £21.8 million. The building is multi-let to tenants including IBM, Toshiba and Otsuka Pharmaceuticals. The price reflects a net initial yield of 8.82% and a capital value of £280 per sq ft.

2 Longwalk Road, Stockley Park, Heathrow
CarVal Investors has acquired this vacant 48,550 sq ft headquarters office building, from the Greater London Fund, a joint venture between IVG and AXA, for around £7 million. The price equates to approximately £144 per sq ft.

South-East Regional Sales

Green Park, Reading, Berkshire
In the largest single deal of the year outside greater London, PRUPIM sold this 190 acre business park containing a total of 1,297,475 sq ft of offices buildings to Oxford Properties for a price of $400 million. Occupiers include Cisco Systems, Symantec Software, Logica, Regus and HSBC. The price reflects a net initial yield of 8.0% and a capital value of £308 per sq ft.

Reading International, Reading, Berkshire
RREEF acquired this 405,872 sq ft office park from Goodman for £140.15 million reflecting a net initial yield of 7.00% and a capital value of £354 per sq ft.

Energis House, 2/3 Reading Central, Reading, Berkshire
On the back of its sale of Green Park, PRUPIM purchased one of largest office development sites in the South East from Scottish Widows Investment Partnership's 108,000 sq ft office building with a neighbouring development plot. Energis House is let to
Cable & Wireless until July 2020, with a break in 2017. The site has planning permission for up to 400,000 sq ft of offices.

**Globeside, Fieldhouse Way, Marlow, Buckinghamshire**  
Invista sold this urban business park to Threadneedle for £25.95 million. The property comprises three office buildings totalling 92,400 sq ft, an industrial building of 23,900 sq ft plus a proposed development phase consisting of 49,200 sq ft of older buildings for which planning approval has been obtained for the development of 62,250 sq ft of new office accommodation. The price reflects a net initial yield of 9.84% and a capital value on the existing floor areas of £157 per sq ft overall.

**Mole Business Park, Leatherhead, Surrey**  
Rockspring Property Investment Managers purchased the 245,000 sq ft business park from Hermes Real Estate Investment Management for £38.1 million. The property in the town centre comprises three office buildings and 19 industrial units. The purchase reflects a net initial yield of 7.3% and a capital value of £156 per sq ft.

**Watson House, London Road, Reigate, Surrey**  
PRUPIM purchased this 73,936 sq ft office building from Scottish Widows Investment Partnership for £19.7 million. The property was leased for 10 years to Towers Watson, the Global professional services company. The purchase shows a net initial yield of 7.22% and reflects a capital value of £266 per sq ft.

**SAB Miller House, Church Street, Woking, Surrey**  
PRUPIM has purchased this 64,144 sq ft office building from Threadneedle for approximately £16.5 million. The building was acquired in 2009 by Threadneedle from Invista for £17 million, at a yield of around 7.75%. The lower price results from the shorter lease term with only 7.5 years remaining to SAB Miller. The latest sale reflects a yield of 7.86% and a capital value of £257 per sq ft.

**1 City Place, Gatwick, Crawley, West Sussex**  
Legal & General purchased this 126,523 sq ft office building from RREEF for £39 million reflecting a net initial yield of 9.30% and a capital value of £308 per sq ft. The high yield was based on the short remaining lease to BT. Subsequently Legal & General completed the surrender of BT’s lease simultaneously agreeing a new 20 year lease with Nestlé UK Ltd, which is moving its UK headquarters from Croydon to 1 City Place.

**St Andrews House and Radio House, Cambridge**  
Orchard Street Investment Management purchased these office buildings totalling 82,450 sq ft from AXA Real Estate for £15.15 million. Andrew House was completed in 2001 and is leased to six occupiers. Radio House is an office/research and development building and is leased to Sepura until April 2017. The price reflects a net initial yield of 8.2% and a capital value of £184 per sq ft.

### Other Regional Sales

**Morrisons, Coventry Road, Sheldon, West Midlands**  
Prupim is funding this 105,000 sq ft supermarket development by Chase Midland Estates, pre-leased to a Morrisons on a 35 years lease. PRUPIM will acquire the Freehold of the property for around £50 million, reflecting a net initial yield of less than 4.5% and a capital value of circa £476 per sq ft.

**1 New York Street, Manchester**  
Invesco Real Estate purchased this 108,670 sq ft office building from Bruntwood Estates for £41.65 million. The building is leased to a number of tenants including ADT Fire and
Security, Marks and Clerk and CNA Insurance. The purchase price reflects a capital value of £383 per sq ft.

28-32 St Ann Street, Manchester
CBRE Global investors purchased a 23,313 sq ft corner six storey retail building leased to Gap on a ten year lease from Grant Thornton for £5.6 million. The purchase price reflects a capital value of £240 per sq ft.

Elmbridge Court, Gloucester
Bridges Ventures, the “social” venture capitalist, purchased this multi-tenanted business park comprising 44,000 sq ft offices over 25 single storey buildings, for its Bridges Sustainable Property Fund for £4 million. Bridges will be installing solar panels on the roofs of all 25 units, which will provide tenants with a free and sustainable source of electricity and will lower the site’s overall carbon emissions by up to 60%. The purchase price reflects a capital value of £91 per sq ft.

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