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Parallel parking

■ Oaktree and Patrizia to sell two South East business park holdings for £415m to capitalise on rising values

BY RICHARD WILLIAMS

Oaktree Capital Management and Patrizia Immobilien are lining up the sale of one of the biggest business parks in the UK for £375m.

The partners are selling the 90-acre Winnersh Triangle park, located near Reading, for an eye-catching £375m, which represents a yield of 5.4%. They are also marketing their holding in Watchmoor Park, in Camberley, for £40m.

The joint venture (JV), which paid SEGRO £245.1m for Winnersh Triangle in July 2013, has appointed agents at JLL to sell the 1.4m sq ft park as it seeks to capitalise on the uplift in values in the business park sector.

"This is a rare opportunity to buy an unbroken freehold business park of such scale," a market source

said. "The sales process is expected to be hotly contested, particularly by US investment funds, as was the case in the 2013 sale - but the asking price may prove to be a stumbling block."

Winnersh Triangle, which is close to junction 10 of the M4, is a mixed-use office, industrial and research and development (R&D) business park that has been developed over the past 40 years.

The partners have spent around £60m on asset management initiatives, including the acquisition of office building 100 Berkshire Place at the front of the park, the development of 1,030 Eskdale Road, and the refurbishment of 220 Wharfedale Road. They have also completed a comprehensive upgrade of the public realm.

The sale of the 42-building park, which includes 12.6 acres of development land, is at a quoted yield of

6.15%, which includes rental guarantees and top-ups on the annual £24.4m income.

The park is let to 58 occupiers, with a total workforce of 5,400, and is 97% let. Last year, aviation systems provider Rockwell Collins agreed a 70,000 sq ft pre-let on a R&D facility on the site.

The JV has also decided to sell its holdings at Watchmoor Park and has again appointed JLL to market the asset. It owns 60% of the 30-acre business park having acquired the majority of the site in a £12m deal in June 2013, before later adding Building 1 to its holdings.

The potential sales would leave the JV with three business parks in its portfolio: Chineham Park in Basingstoke; Birchwood Park in Warrington; and Hillington Park in Glasgow - which were all acquired from Hermes Real Estate's MEPC for £430m in 2014.

Castlebrooke goes big

Castlebrooke has bought two major development sites in Manchester and Belfast with the potential to deliver 2m sq ft of new space worth £800m.

Castlebrooke is a new developer led by Neil Young and Jonathan Mitchell, previously of Carisbrooke, and Stephen Morgan, from Landid. Between them, they have brought forward 15m sq ft of commercial development totalling £5bn during their careers.

The company is planning an office scheme (pictured) on the site of the former Odeon cinema at St Peter's Square, Manchester. Former owners

Hines and Manchester & Metropolitan had been planning a 178,000 sq ft office block, known as Landmark.

The Belfast purchase is the Royal Exchange, acquired from Cerberus, which is a mixed-use, city centre development that has been touted as a £360m regeneration scheme. Royal Exchange covers 11 acres and was granted planning permission in 2012 for flats, a hotel, offices and retail.

Colliers advised the sellers in Manchester and Castlebrooke in Belfast. All parties declined to comment.

