

Segro sends £102m sheds portfolio into investors' orbit

■ Six estates located around the M25 make up the second industrial estate portfolio to sell in as many months

BY RICHARD WILLIAMS

Industrial property giant Segro has brought to market a South East-focused portfolio of six multi-let estates with a price tag of £102m.

A teaser brochure for the Orbital portfolio, so named because the estates are all located around the M25 motorway, has been circulated to a select number of investors and interest is expected to be high.

Agents at Dowley Turner Real Estate have been appointed to sell the 1m sq ft portfolio with the quoted price reflecting a net initial yield of 7%.

The assets include: the J4 Camberley scheme in Camberley, Surrey; Albany Park Industrial Estate in Frimley, Surrey; Viridian Park at Heathrow; J31 Park in West Thurrock, Kent; Anderson Road Industrial Estate in Woodford, east London; and Maylands Industrial Estate in Hemel Hempstead, Hertfordshire.

A market source told *Property Week*: "This portfolio will attract a lot of interest and will most likely trade ahead of the quoted price."

It is thought that Segro is selling the stock to concentrate on its core patches of large distribution centres and west London.

The portfolio has a spread of 71 tenants across the six industrial estates with an annual rent roll of £7.5m.

Mainstream funds such as Legal & General, Orchard Street, Standard Life and Aviva are all expected to express an interest in the portfolio.

Segro has brought the portfolio to the market at a time when investor appetite for industrial stock is at its highest, with returns leading all other assets classes.

Investors have been tempted into the industrial sector by strong rental growth, with rents in the greater London and South East markets

forecast to rise 3.8% and 2.8% respectively in the next three years, outstripping the national average.

It is the second industrial portfolio to hit the market in as many months after Columbus Capital Management brought its £220.5m, 7% yield Partridge portfolio to market last month.

The opportunity fund, a division of Schroders, appointed agents at JLL to market the 38-asset South East-focused 3.2m sq ft portfolio.

L&G is thought to have bid around £205m for Partridge, with Blackstone likely to make an offer before the first round of bidding closes early next week.

American Apparel shuts five UK stores

Troubled US fashion retailer American Apparel is axing nearly a third of its UK stores as part of a global closure strategy as it attempts to shore up its finances following the firing of its founder, *Property Week* has learned.

The fashion group is understood to have appointed Kitchen La Frenais Morgan to dispose of its stores in Bristol (Cabot Circus), Leeds (Briggate), Liverpool One, Nottingham (Bridlesmith Gate), and even one of its most high-profile stores on Neal Street in London's Covent Garden (pictured).

The disposals will leave the chain with four outlets outside London - in Brighton,



End of the line: the retailer is said to be closing its Covent Garden store

Birmingham, Glasgow and Manchester - but the future of these stores is also believed to be under review.

American Apparel will retain a strong presence in London, with

nine stores, plus a concession in department store Selfridges. However, as part of the current global review of strategy, no store is thought to be safe from closure.

Travelex joins King's X club

Travelex is eyeing a floor in the building that houses the *Guardian* in a move that would see it become the latest in a string of occupiers to relocate its head office to London's King's Cross.

The foreign exchange group is understood to be under offer to take a sub-lease from Network Rail on 20,000 sq ft in Kings Place at 90 York Way.

It will take the fourth floor of the building - home of the headquarters of the *Guardian* Media Group - at a rent in the mid-£50s.

Travelex is moving from its current office at 65 Kingsway

due to a lease expiry and having outgrown the space.

It is also thought to be keen to be closer to other digital brands moving into trendy King's Cross.

Travelex was taken over in May by Bavaguthu Shetty, the billionaire owner of UAE Exchange, in a £1bn deal.

Hammerson has previously announced it is taking the sixth floor in Kings Place, with plans to move staff over next summer.

James Andrew International advised Travelex. BNP Paribas Real Estate advised Network Rail. All parties declined to comment.

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Health food retailer in store hunt
Holland & Barrett has kicked off a search for 40 new stores. The retailer is looking for sites that will be more than double the size of its existing stores.

Moorgate attracts new office
Land Securities has unveiled plans for a 510,000 sq ft office scheme above the new Crossrail station at Moorgate in the City of London.

Done bets on PRS scheme
Betfred founder Fred Done is moving into the private rented residential sector after lodging plans for a 380-apartment scheme in Salford.