# Middle East investors buy into Midtown redev

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**Evans Randall Investors has completed the purchase of Thavies Inn House in Holborn for £33m alongside one of JR Capital's Middle Eastern clients.**


The purchase of the 50,500 sq ft building at 3-4 Holborn Circus from Marcol reflects a capital value of £650/sq ft and a net initial yield of 4.3%. The property's annual rent roll is £1.6m.

With passing rents currently at £31/sq ft compared to ERVs in the £40s, Evans Randall will seek to work the income over the near term with the underlying potential for the redevelopment of the building in the longer term. The site could ultimately provide for a scheme in excess of 75,000 sq ft with a GDV of £120m.

Kent Gardner, chief executive of Evans Randall Investors, said: "We are excited to have completed on this building with exceptional potential and look forward to unlocking its value in the longer term. The commitment we and our co-investor have made to the acquisition sends a strong signal about the enduring appeal of the London market.

"Even with Brexit looming, we take a very positive view on the future of Holborn-Farringdon. This micro location is gaining momentum where others may be stalling, driven not least by the transformation of Farringdon Station into a Crossrail hub opening in 2018, the development nearby of the new Goldman Sachs 900,000 sq ft HQ and our own project about to commence at 90 Fetter Lane."

## Landmark office building

Purchased with a long leasehold from the City of London, the 1950s office building sits at a landmark Midtown location on Holborn Circus.

John Collier-Wright, founder and chief executive of JR Capital added: "Thavies Inn provides a rare opportunity to development a landmark office building next to the new Goldman Sachs HQ and existing Sainsbury's and Deloitte global HQ's. The temporary uncertainty in the market this year has created some attractive buying opportunities.

"There remains strong appetite from the Gulf to invest into UK real estate due to the political and economic instability in the region, a slight softening of prices in the UK over the past 12 months and the current weak sterling which represents a circa 20% discount to the long-term average. This is our third investment post Brexit and we intend to deploy a further £50m over the next few months whilst many of the UK funds and institutions have their foot on the brake."

BNP Paribas Real Estate and Paul Hastings advised Evans Randall on the purchase. Michael Elliott acted for Marcol.



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