

JR Capital close first deal for new £100m multi-let industrial fund

15-07-2019 | Editor

JR Capital and Chancerygate have acquired Brunswick Park in Newcastle – the first deal for their joint GBP100 million UK multi-let industrial sector investment fund.

Acquired by the fund for GBP3.3 million, the nine-unit industrial and warehouse development totals 71,700 sq ft and is located around five miles north of Newcastle city centre.

Brunswick Park is 90 per cent occupied, with a further three acres of land available for development. The vendor was Litton Property Group which owned the property since 2003.

The fund will invest in improvements across the property and generate new income by bringing the three acres of vacant land into use as open storage. Brunswick Park benefits from fast access to both the A1 and A19 and is two miles from Newcastle International Airport.

Industrial developer and asset manager Chancerygate and JR Capital announced the first close of the joint fund in May. The first close raised GBP25 million of equity from JR Capital's Middle East-based private and institutional client base, giving the fund an immediate GBP50 million to deploy.

The fund has a five-year life and will target multi-let industrial investments across the UK in lot sizes of GBP3 million to GBP15 million. Further closes are anticipated shortly.

Chancerygate head of asset management, Rory Finnan, says: "Acquiring Brunswick Park is a significant first milestone for our joint fund. The development offers high-quality industrial and warehousing units and consistently attracts high demand, making it an excellent fit for our investment and asset management strategy.

"We take an entrepreneurial approach to asset management and will add further value to the development by opening up new sources of income. There is a lack of supply in secure and

surfaced open storage in the area, so this is a clear commercial opportunity for us. The fund is moving at pace with other acquisitions and we expect to make further announcements soon.”

Eight of the nine units at Brunswick Park are currently occupied, ranging in size from 3,800 sq ft to 19,480 sq ft. Current occupiers include pipeline inspection device manufacturer Rosen and pharmaceutical, medical and healthcare distributor and wholesaler Alliance Healthcare.

JR Capital head of investment, Michael Ferris, adds: “The multi-let industrial sector in the UK has excellent potential for growth, offering relatively high yields and well-diversified income. Brunswick Park is an excellent example of an attractive investment with an existing high-quality tenant base and opportunities to add value.”

“Demand for light industrial, warehousing and distribution assets continues to rise in UK regions, driven in particular by the continued growth of online retail. Together with Chancerygate, we are ideally placed to capitalise on lack of supply across the UK.”

London-based JR Capital is an FCA-registered multi-family office business with a focus on real estate. It provides a platform for its Middle East-based private and institutional clients to co-invest into both the UK and European real estate markets. Founded in 2005 by John Collier-Wright it has concluded over GBP2 billion of transactions across all sectors.

Chancerygate is the UK’s largest multi-unit industrial developer and asset manager and the only one operating nationwide. Its asset management team currently manages GBP220 million of assets across 4.9m sq ft of commercial space in more than 350 units.

Chancerygate will deliver more than one million sq ft across 13 schemes in 2019. The company has offices in London, Warrington, Birmingham and Milton Keynes.

Property asset management company Koopmans advised Chancerygate and JR Capital on the deal, whilst property agents Naylor acted on behalf of Litton Property Group.