

## Deals

**Ho Bee buys in WC2**

Singapore-based Ho Bee Land, through subsidiary HB St Martins Pte, has paid £43.9m – a 3.8% yield – for 60/62 St Martin's Lane, WC2. The 32,000 sq ft property was sold by St Martin's Property. Michael Elliott represented the vendor; the purchaser was unrepresented.

**Orchard grabs Gate**

Orchard Street Investment Management has bought the 104,254 sq ft Rockingham Gate industrial park near Bristol for £10.7m. The property was bought from the BP Pension Fund at a net initial yield of 5.95%. Savills advised for Orchard Street; Knight Frank acted on behalf of the BP Pension Fund.

**JR Capital banks on Leicester**

JR Capital has bought a mixed-use plot in Leicester for £3.7m – a net initial yield of 6.25%. The property is anchored by the main city branch of Natwest with adjoining shops and 20 flats. Allsop acted for JR Capital; vendor Threadneedle Investments was represented by Fawcett Mead.

**Healthy buy for Quantum**

NHS Property Services has sold the six-acre Old Manor Hospital in Salisbury, Wiltshire, to Quantum Group for £4.1m. The site, which contains two listed buildings, has been declared surplus to NHS requirements. Quantum plans to develop it as an 80-home assisted-living scheme. JLL acted for NHS Propco; Quantum Group was unrepresented.

**Fidelity makes it nine**

The Fidelity UK Real Estate Fund has made its ninth purchase this year with a 222,386 sq ft distribution centre in Coalville, Leicester. Tenant Pall-Ex Holdings has agreed a 20-year sale and leaseback for £16m – a net initial yield of 6.5%. Frank-Steier Price represented Fidelity; CBRE acted for Pall-Ex.

**TIAA-Henderson opens Can of Ham****JACK SIDDEBS**

TIAA-Henderson Real Estate is close to agreeing a lease surrender that will pave the way for the long-stalled Can of Ham at 60-70 St Mary Axe, EC3, to start on site in the second half of 2015.

Threadneedle Asset Management – sole tenant of 60 St Mary Axe – has agreed to an early exit on its 2018 lease, and will instead move out in the second quarter of next year. It is close to signing a deal for 65,000 sq ft at Cannon Place, EC4.

TIAA-Henderson has begun procuring demolition for the two existing office buildings that occupy the site and expects work to start as early as August next year.

The breakthrough comes more than six years after the Foggo Associates-designed scheme was first approved by the City of London.

The scheme comprises more than 277,570 sq ft of offices over 24 floors and features a distinctive elliptical design. It was proposed by Targetfollow, but later sold out of administration in 2011 to TIAA-CREF.

TIAA-CREF sold its other main City development opportunity – One Angel Court – to Mitsui Fudosan and Stanhope last year. But it has since acquired substantial development expertise via its merger with Henderson.

The decision to push on with

the Can of Ham comes against the backdrop of a falling City vacancy rate and growing tenant demand.

Availability in the City core has dropped from 9.4% to 8.65% over the past year, according to the Q3 London Office Market Analysis.

Meanwhile, just 1.4m sq ft of new stock is due to be delivered to market in 2015 which has not yet been prelet, according to GVA figures, a figure dwarfed by the 2.6m sq ft of City take-up in Q3 2014 alone.

CBRE is advising Threadneedle; Savills and CBRE are letting agents at Cannon Place.

TIAA-Henderson Real Estate declined to comment.

**VICTORIA'S BID FOR 2020 VISION**

Victoria's Business Improvement District has unveiled plans to transform the area over the next five years. The business-led group hopes to raise £8m through ring-fenced levy funding to attract inward investment to the area. It will focus on making Victoria – which is undergoing a £4bn transformation over the next decade – a safer, cleaner and more sustainable place to visit, shop and work.

**IM closes in on benchmark sheds deal**

IM Properties is close to striking a deal with Aberdeen Asset Management for two West Midlands sheds that would set a new benchmark for the sector.

Aberdeen has offered £40m – a 5.05% yield – for Units 1 and 2 at Birch Coppice business park in Tamworth. Both are subject to an open-market rent review.

The price reflects the keenest yield paid for major sheds not subject to RPI uplifts this cycle and highlights investors'

bullish outlook for the sector.

The two buildings total 334,500 sq ft.

In spring 2013, IM committed to speculatively develop the sheds, making them the first UK industrials over 100,000 sq ft to be built without prelets since 2007. Both were leased before practical completion, however.

Unit 1 is let to Bunzl on a 15-year lease, and served to consolidate the outsourcing firm's national distribution and

telesales into one facility.

Unit 2 is let to German supplier DAU Draexlmaier Automotive UK, also on a 15-year lease, to service a contract with Jaguar Land Rover. Both sheds are let at £5.75 per sq ft.

The 400-acre park, off the M42 near Birmingham, also hosts Ocado, Volkswagen, Euro Car Parts and UPS.

Knight Frank is advising Aberdeen on the sale; CBRE is acting for IM Properties.