

Deals

Allois shops across the UK

Allois Properties has bought an 80,000 sq ft retail portfolio from Northern Retail for £4.4m – a 10.6% yield. The properties, in towns including Hartlepool, Hull and Wrexham, are let to Poundstretcher, Blockbuster and Barracuda and produce £495,000 pa in rent. Fawcett Mead acted for Allois Properties; WSB advised Northern Retail.

EPIC exits office blocks

EPIC UK has sold two properties for £23.5m. It has sold the 94,200 sq ft HQ of South West Water in Exeter, Devon, to a private client of Staunton Property for £17m – a 6.75% initial yield – and the 8,300 sq ft 87-89 Baker Street, W1, for Sunflag Group for £6.5m – a 4.4% yield. Farmer Capital and CBRE acted for EPIC UK on both deals; Sunflag was unrepresented.

LycaMobile calls in

International calls provider LycaMobile UK has bought Drewry House, E14, for its own occupation. It paid £2.5m for the 12,800 sq ft property at 213 Marsh Wall. James Andrews International advised the private family trust vendor; LycaMobile was unrepresented.

SWIP buys Reading offices

SWIP has completed the purchase of the Alpha and Beta buildings at 121 Kings Road in Reading, Berkshire, from IVG. It paid £18.1m – a 14.5% yield – for the 96,000 sq ft office properties, which are let to Prudential. Jones Lang LaSalle acted for SWIP; Knight Frank advised IVG.

DTZ IM lands in the Strand

DTZ Investment Management has bought 111 Strand, WC2, for £38.8m from Aviva Investors. The sale of the 37,400 sq ft building reflects a 4.6% net initial yield. Its tenants include CVC Capital Partners. Passing rent at the building is £1.9m pa. DTZ acted for DTZ IM; H2SO represented the vendor.

Westbrook back with Chambers buy

ANNABEL DIXON

Westbrook Partners is in exclusive negotiations to buy a major residential redevelopment opportunity on the City fringe.

The US private equity giant is in pole position to acquire the 193,450 sq ft Lloyds Chambers at 1 Portsoken Street, E1, for around £65m – a 10.3% initial yield.

It is being sold from the estate of the late Irish property tycoon, Patrick Rocca.

The property is being sold with the opportunity for conversion to residential, student housing or a hotel, with the council backing a residential development. Studies suggest 222 homes could be developed on the site. There is also scope for a major office refurbishment, adding 65,000 sq ft.

Sources said that Westbrook



↑ Lloyds Chambers: development opportunity

was considering all development options.

Lloyds Chambers is currently let to risk management broker Aon until June 2018 at an annual rent of £7.1m.

Aon has agreed to move to

British Land's and Oxford Properties' Leadenhall Building within the City core in mid-2014, potentially freeing the building for early redevelopment.

The purchase will be the first major asset deal for Westbrook in more than a year.

A source said: "Lloyds Chambers fits Westbrook's strategy. Westbrook won't rule in or out any development options. It's a question of letting Aon's lease burn off and pursuing the best plan."

Lloyds Chambers was first put up for sale in May 2011 for £94m – a 7.4% yield – by servicer Capita but failed to sell. It was re-marketed in January this year at £76.6m, an 8.75% yield.

Rocca paid £104m for the office in 2006.

CBRE and Savills are advising on the sale.

TIME IS RIGHT FOR UK FLAGSHIP

Watches of Switzerland has signed a deal with The Crown Estate to open its largest UK flagship store. The luxury watches retailer has agreed a 15-year lease for 17,000 sq ft at The Crown's 190,000 sq ft W4 development on Regent Street, W1. The Aurum Holdings subsidiary is understood to have agreed a rent in line with local zone As of £500 per sq ft. CBRE acted for the Crown; Leslie Perkins advised Watches of Switzerland.

**Prestbury plans Spirit pub sale to decant debt**

Nick Leslau's Prestbury is selling a tranche of Spirit pubs as part of a plan to de-gear and strengthen its portfolio.

CBRE has been instructed to sell the package of 24 pubs, codenamed Project Oak, for £42.4m – an 8% yield.

The properties are let for a further 31 years to Spirit Pub Company and provide an annual income of £3.6m.

Nine of the pubs – 45% of the rent – trade under the Chef & Brewer brand.

Leslau bought the properties in 2004 as part of a £500m package of 220 pubs. Since then the portfolio has been reduced to around 150 assets. Leslau is keen to sell more to create a collection of prime UK pubs.

A source said: "The portfolio is being sold partly because the

market for pubs has changed dramatically. Also, they are seeking to de-gear the portfolio."

The pub sector has been hit by the recent inclement weather, with March sales falling by 3% on a like-for-like basis, according to the Coffer Peach Business Tracker.

Spirit recorded a similar fall in its like-for-like net income across its leased estate in the 28 weeks ended 2 March.