

# Property Week

propertyweek.com

NEWS	ANALYSIS	MARKETS	PROFESSIONAL
Carlyle assets in receivership <b>p5</b> Prologis sells Euro sheds <b>p15</b>	Google and Amazon <b>p30</b> Euro procurement quagmire <b>p36</b>	Yorkshire + Humber <b>p47</b> East Midlands + Lincs <b>p57</b>	Government property latest <b>p80</b> Sociable Surveyors' spots <b>p83</b>

## Morgan Stanley backs £150m fund foray

■ Alternative Investment Partners finances Wainbridge's London venture

BY NICK JOHNSTONE

Wainbridge Capital has won the backing of a new Morgan Stanley fund that will double the firepower of its first London office vehicle.

*Property Week* can reveal the investment manager has raised the amount of money left to invest for its London "value-add" office fund, Wainbridge Global Opportunities London, to £150m.

A vehicle set up in 2010 by Morgan Stanley's fund-of-funds division, Alternative Investment Partners, is to become a joint venture partner to Global Opportunities London.

It will invest around £75m, alongside the fund's remaining £75m of equity and debt. Once the fund is fully invested, Morgan Stanley is expected to become the cornerstone investor for Wainbridge's second London "value-add" office vehicle.

The first purchase for the joint venture is expected to be Bechtel House in Hammersmith, west London, from CBRE Global Investors for £52m.

Morgan Stanley is also paying £8m for a 49% stake in FC200 in Park Royal, also in the west of the capital. Global Opportunities London bought the property for £16m in September.

FC200 is a 164,000 sq ft, part-completed office scheme, next to Diageo's international headquarters at First Central. Initially developed by a joint venture between Guinness and London & Regional, the

shell of the property was completed in 2007. With the Morgan Stanley money, Wainbridge intends to complete the internal fit-out.

Wainbridge founders Rob Rackind and Edouard Fernandez said that if the joint venture was successful, it would result in Morgan Stanley becoming the lead investor in a second fund, which will also be backed by private Russian investors, including Kirill Pisarev.

Rackind told *Property Week*: "We've never been equity restricted, but are opportunity restricted. The hope is that Morgan Stanley will get comfortable and become a funder of funds."

The Wainbridge investment would be the Morgan Stanley fund's first in London, after raising \$370m of equity in April 2010. The vehicle, the Morgan Stanley AIP Phoenix Global Real Estate Secondaries 2009, buys secondary interests in opportunistic and value-add private equity property funds.

The joint venture aims to buy properties in London, where the partners believe there is an opportunity to unlock significant value through using "redevelopment, refurbishment, repositioning" and other similar skills.

Rackind said they were particularly interested in the Western Corridor out to Heathrow, where there has been little development of grade A office space and which tenants were eyeing as a cheaper alternative to central London.

### Strong words

After a decade at the European helm of "green machine" CBRE, Mike Strong reveals his views on the challenging European markets, on a seismic year for property services and on the future for CBRE.

■ agency, p32-p34





## Crocs strides out across UK

JS shoe brand Crocs plans to roll out standalone stores in around 30 new locations across the UK.

The retailer already has six UK outlets and also operates concessions from stores such as Russell & Bromley and Snow & Rock.

Crocs has appointed Savills to find shops in key cities, among them Leeds, Liverpool, Newcastle and Milton Keynes, and large UK shopping

centres, such as Birmingham's Bullring and Manchester's Trafford Centre. In London, the chain is keen to find space in Covent Garden and the West End.

Crocs is already thought to be in talks over units at Bluewater in Kent, and St David's in Cardiff.

Other prospective locations to be targeted are Belfast, Dublin, Glasgow, Edinburgh, Oxford, Reading, Portsmouth and the Channel Islands.

## LaSalle pays £32m Stockwell tuition fees

LaSalle Investment Management has bought and will fund construction of a 328-bed student hall scheme known as the Quadrant, in Stockwell, south London.

LaSalle, on behalf of an institutional client, paid developer Watkin Jones £32m for the scheme, which reflects a net initial yield of 6.27%.

The scheme is designed by

TP Bennett and will comprise 258 en-suite bedrooms, 70 studio units and 17,000 sq ft of commercial space.

The University of the Arts, London, has taken a 21-year lease across all the en-suite bedrooms. The remaining studios will be leased to Watkin Jones on similar terms.

The student halls will be managed by Fresh Student

Living. Artists' charity Acme Studios will lease some of the commercial space to provide affordable studios for artists.

The net income for the property will be £2.1m a year. Construction is due to be completed for the start of the 2013/14 academic year.

Jones Lang LaSalle advised Watkin Jones; Lawson & Partners represented LaSalle.

# ING to liquidate Britannica fund

■ Portfolio of nine regional shopping centres, worth around £350m, to be brought to market

BY MIKE PHILLIPS

A highly leveraged shopping centre fund is to be wound up by its manager and lender, bringing more than £350m of assets to the market.

The Britannica shopping centre fund, which was set up by ING Real Estate Investment Management, is to be liquidated and its nine assets sold. Church Square shopping centre in St Helens, near Liverpool, is expected to be the first.

The shopping centre was bought by the fund in 2006 for £75m – a 5.18% yield – and is expected to be marketed for around £50m.

The decision to wind the fund up comes after lender ING Commercial Banking asked ING REIM to pursue a strategy of selling down the assets, rather than attempt to asset manage them to increase value.

The fund is now managed by CBRE Global Investors, which last year bought ING REIM for around \$1.2bn.

At the height of the market,

the fund was worth around £700m, but the value of the assets is understood to have fallen to around £350m – less than the level of its £360m of debt. ING REIM had been attempting, in vain, to restructure the fund for several years.

Among the other shopping centres in the fund are the Gates in Durham; County Square in Ashford, Kent; the Strand in Bootle, Liverpool; Haymarket in Leicester; Rivergate in Irvine, Scotland; and the Town Square and Spindles in Oldham.

The fund was set up in 2005, and was supposed to have a 10-year life span. It is relatively rare for a fund to be wound up before its termination date.

It is also a blow to the manager when this happens, as fees cannot be earned from managing the assets, cutting income and increasing the pressure from investors that want the cost of managing their assets reduced.

Henderson's Caspar fund, of which around 20% is made up of retail assets, is also on track to be wound up this October.

### Time for a Dollar

Londonewcastle and UK & European Investments have obtained planning permission for their Dollar Bay residential scheme in London's Docklands.

The 31-storey luxury residential tower (pictured) will provide 121 flats and penthouses and has been designed by Ian Simpson Architects.

The development also includes the regeneration of a site on Thomas Road to provide affordable housing units.



## MIPIM talk @ PropertyWeek.com

**Forrester outlines DTZ strategy**  
DTZ's European chief executive John Forrester outlines the firm's European strategy, following its acquisition by UGL last December.

■ More at [propertyweek.com/MIPIM](http://propertyweek.com/MIPIM)

**Brum drums up support**  
Birmingham City Council leader Mike Whitby has travelled to MIPIM to persuade sovereign wealth funds to take stakes the city's largest projects.

■ More at [propertyweek.com/MIPIM](http://propertyweek.com/MIPIM)

**Euro recovery debt fear**  
The scarcity of debt is the biggest threat to the recovery of the European property market, a survey by CBRE has shown.

■ More at [propertyweek.com/MIPIM](http://propertyweek.com/MIPIM)