

Maples Teesdale advises JR Capital and Chancerygate MLI Fund on the purchase of a five-asset industrial portfolio

July 2020



Published by
Mark Harryman

Maples Teesdale have advised the JR Capital and Chancerygate joint £100m multi-let industrial investment fund on the purchase of a five-asset industrial portfolio from Edmond de Rothschild REIM for £10.4m.

JR Capital and Chancerygate's £100m multi-let industrial fund has acquired a portfolio of five industrial assets in Northamptonshire for a total of £10.4m. Reflecting a net initial yield of 7.1 per cent and totaling 130,619 sq ft, the two multi-let estates and three single-let units are fully let to 11 tenants and are all located within five miles of Northampton town centre. The portfolio was sold by Edmond de Rothschild Real Estate Investment Management (REIM) on behalf of Highgate Unit Trust.

The five assets within the portfolio range between 4,953 sq ft and 64,832 sq ft in size and are strategically located within the heart of the 'Golden Triangle', a core M1 corridor location between London, Milton Keynes and Birmingham. Tenants across the five Northampton industrial properties include the UK and Ireland's leading distributor of toys and collectables, Click Distribution; freight specialists, Normal Global Logistics; healthcare provider, Millbrook Healthcare; and business process automation specialist, Exela Technologies.

The purchase by the fund brings its total investments to £25m comprising Brunswick Park near Newcastle airport, Wollaston Industrial Park near Wellingborough and Sandbeds Trading Estate in Ossett, West Yorkshire.

JR Capital managing director, John Collier-Wright, said: "We have deployed cautiously over the past nine months since launching the fund and are very well placed to take advantage of current market conditions. The industrial and logistics sector has been one of the best performing asset classes during the lockdown and despite the short-term uncertainty, we are bullish on the outlook."

The fund has a further £75m to spend over the next 12 months and intends to raise further capital. It is targeting multi-let industrial investments across the UK in lot sizes of £3m to £15m. Chancerygate head of asset management, Rory Finnan, added: "Our fund's latest investment marks a significant expansion of our portfolio and highlights the resilience of the industrial sector. The growth of online retail, particularly amid the coronavirus lockdown, has boost demand for varying types of warehousing and industrial units.

"These latest acquisitions further strengthen our presence in Northamptonshire after the fund's acquisition in Wellingborough. The fact that every unit is occupied signifies the strength of demand in what is one of the most sought-after locations in the country."

Mark Millar, head of UK investment at Edmond de Rothschild REIM, continued: "This is a well-located spread of light industrial assets in Northampton, where we successfully implemented an asset management strategy which reduced the level of voids, increased rents and delivered longer lease lengths ahead of realisation."

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 £2bn of transactions across all sectors.

Chancerygate is the UK's largest multi-unit industrial developer and asset manager and the only one operating nationwide with offices in London, Warrington, Birmingham and Milton Keynes. Its asset management team currently manages £220m of assets across 4.9m sq ft of commercial space in more than 350 units.

Gerald Eve acted on behalf of the Chancerygate and JR Capital, while legal advice was provided by real estate law firm, Maples Teesdale. Knight Frank acted for Edmond de Rothschild REIM.

The Maples Teesdale team was led by Mark Harryman (Partner) and assisted by Charles Elgood (Of Counsel) Samuel Sidenbladh (Associate), James Cox (Associate) and Scott Burn (Associate).

For further information please contact:

Mark Harryman

Partner

E: mharryman@maplesteesdale.co.uk

T: 020 3465 4336