

Maples Teesdale advises BMO Real Estate Partners on the acquisition of three logistics transactions for £32.9m

April 2021

Maples Teesdale have advised BMO Real Estate Partners (BMO REP), part of Canada's BMO Financial Group's £227 billion Global Asset Management business, on the acquisition of three modern logistics assets totalling c.237,000 sq ft for £32.9 million. Following the sale of the Royal Mail distribution centre in Bristol, the transactions form part of BMO REP's strategy for its client to diversify out of larger and older distribution centres into modern and strategically located logistics facilities in areas of strong demand across the UK.

Maples Teesdale fielded a strong team of 4 partners and 5 senior associates across our real estate and construction teams to acquire the assets by way of two forward commits and one investment purchase, two of which took place simultaneously in under four weeks.

The first transaction is a £11.6 million forward commitment for an 80,000 sq ft logistics warehouse on the Futura Park commercial district in Ipswich. The property is pre-let to Hubbard Products Limited (guaranteed by Daikin Europe NV), a leading air conditioning manufacturer, on a 20-year lease.

The second transaction represents a £11 million, forward commitment for a 56,800 sq ft logistics warehouse in Aston within the Advanced Manufacturing Hub, which is 2.5 miles north of Birmingham city centre. The asset, which is due for completion in July 2021, is fully pre-let to Truflor Marine Limited (guaranteed by IMI plc), a global engineering business, on a 15-year lease with a break at 10 years.

The third transaction is the £10.3 million acquisition of an up and built modern mid-box industrial warehouse estate, known as Teltron Point, comprising three units totalling 99,867 sq ft. The asset sits within a modern business park located to the west of Swadlincote town centre, located within the 'golden triangle' in South Derbyshire, benefiting from good access to a strong transport infrastructure network.

Matthew Howard, Fund Manager at BMO REP, commented: "Our objective for the client has been to recycle the proceeds of recent sales into a diversified pool of modern logistics facilities in well-connected strategic locations with sound economic drivers. We are delighted to have continued this programme with the purchases in Ipswich, Birmingham and Swadlincote. Two of the assets are forward commitments that both needed to exchange within approximately four weeks by year-end, having been conditions of both offers. The team at Maples Teesdale did a fantastic job and pulled out the stops to ensure both transactions exchanged within the tight timescales therefore helping to deliver a great result for our client".

The Maples Teesdale team was led by Declan Power, Head of Development with assistance from Katherine Watts and Mark Harryman, Commercial Real Estate Partners, Senior Associate Adam Bernstein, Associates Holly Stylianou and Helen Kearns and with construction advice from Sam Nichols, Partner and Senior Associate Jo Preece and Associate Alex Homatas.