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Griffen Capital acquires multi-let warehouse and office facility in Milton Keynes for £3.4 million

Griffen Capital, on behalf of its Griffen UK Logistics Fund (“GULF” or “the Fund”), has acquired a warehouse and office asset totalling a gross internal area of 66,000 sq ft, close to Milton Keynes town centre, which offers significant asset management potential. The property, the second GULF acquisition in the past three months in the Milton Keynes area, was acquired from IM Properties for £3.4 million, reflecting a net initial yield of 8.4%.

The asset, which comprises an interconnected detached warehouse and ancillary office, is currently fully let to two tenants, Redcastle Limited, which is a subsidiary of the Arcadia Group, and Nikken UK, a wellness specialist, with a weighted average unexpired lease term of 1.2 years to breaks and 2.8 years to expiry. It is situated within the Rooksley area of Milton Keynes, approximately two miles northwest of Milton Keynes town centre, where other local occupiers include B&Q, Go Outdoors, Aldi, Pets at Home, Hobbycraft, Halfords, ABB and Hitachi.

Milton Keynes is considered a key industrial location in the UK, with approximately half of the UK’s 53 million population living within a two hour drive. As such, many high profile retail and logistics companies have national and regional distribution operations around the town.

The acquisition is the seventh in the GULF portfolio and is in line with the stated strategy targeting strategically located industrial assets that hold significant opportunity for income and capital growth.

Rui Nobre, CEO at Griffen Capital, commented:

“This acquisition provides us with an excellent opportunity for redevelopment, due to the low site coverage of 33%, as well as various asset management opportunities through refurbishment and re-letting. With a low passing rent and attractive capital values, we see this as a high potential purchase as we look to build up a best in class portfolio of strategically located industrial and logistics real estate assets. We have identified Milton Keynes as a location which will continue to attract UK retailers who require national distribution capabilities and are building up a portfolio to reflect this.”

Ends

For further information:

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About Griffen Capital:

Griffen Capital is the investment advisory business of the Griffen UK Logistics Fund (“GULF”), a Jersey based investment fund focusing on the Industrial and Logistics sector in the UK. Griffen Capital focuses on buying high quality assets in key logistics and distribution locations for GULF.

About the GULF portfolio:

Focusing on key UK logistics locations with efficient access to major motorways, junctions, ports and dense population nodes, our assets enable our tenants to access a variety of core business requirements that deliver a range of cost saving factors in professional and pleasant working environments. GULF’s strategy is based around the growing opportunity presented by the exponential growth of e-commerce in the UK .This proven investment and multi-cycle strategy has been successfully applied by the Griffen management team for over a decade and GULF continues to strategically invest on this basis.