

2 December 2016

Orchard Street acquires prime Derby retail park for £57.3 million

Orchard Street Investment Management ('Orchard Street'), the specialist commercial property investment manager, has completed the acquisition of Kingsway Retail Park in Derby for £57.3 million, reflecting a net initial yield of 5.75%. The asset was acquired on behalf of St James's Place Property Unit Trust from TH Real Estate.

Kingsway Retail Park is the prime and dominant retail park in Derby, located two miles west of the city centre. Completed in 1995 and updated and reconfigured since, the 148,765 sq ft open-air scheme is currently fully let to 16 first-class retailers, including Next, TK Maxx and Marks & Spencer, and holds a WAULT of 6.25 years. The asset provides dedicated customer parking for 513 vehicles, while there is further parking offered by the adjacent Sainsbury's and Homebase retailers.

Derby is located in the very centre of England and benefits from excellent road, rail and transport links. The city and its surrounding areas have experienced uninterrupted population growth since 2001, which is forecast to continue, with a significant number of new homes under development to meet rising demand. Kingsway Retail Park's location draws on a retail catchment of 800,000 people.

Barney Rowe, Partner at Orchard Street, said: "Kingsway Retail Park is an excellent addition to our portfolio, demonstrating exceptionally strong trading performance in addition to resilient occupier demand. As the dominant retail park in the wider area, it benefits from a diverse range of high-quality tenants attracting a high level of footfall, whilst it also offers the longer term potential to undertake asset management initiatives to enhance future growth."

Mark Cruddas at TH Real Estate said: "The sale of Derby concludes the capital recycling initiative that commenced in Q4 2015 with the purchase of Borehamwood Shopping Park. Having completed the extensive business plan the Retail Warehouse Fund is able to crystallise its profit with the asset producing 9.4% pa total return over the hold period against the benchmark of 6.6%."

Orchard Street was advised by Savills, while the vendor was advised by Morgan Williams.

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Notes to Editors:

Orchard Street Investment Management

Established in 2004, Orchard Street Investment Management LLP is a leading specialist commercial property investment manager, focused on the UK market. It acts on behalf of institutional clients world-wide to advise on investing in and the active management of property assets, including industrial, retail warehouses, offices and shopping centres. Orchard Street currently has assets under management totalling £5 billion.