

20 November 2018

Orchard Street completes purchase of M25 industrial warehouse

Orchard Street Investment Management ('Orchard Street'), the specialist commercial property investment manager, announces that, on behalf of St James's Place UK Plc, it has completed the acquisition of a newly built distribution warehouse in Belvedere, South East London for £11.3 million from Buccleuch Property and Wrenbridge Land.

Planning permission for a standalone 68,360 sq ft industrial development on the 3.8 acre site was obtained by the vendors in August 2017 and contracts were exchanged with Orchard Street on the forward commitment to purchase in October 2017. Construction of the Grade A warehouse, named the Axion Building, commenced in December 2017 with practical completion being achieved in October 2018.

The Axion Building benefits from a prime industrial location, situated in close proximity to the Docklands, central London and the M25, making it strategically placed for both regional and urban distribution. Existing occupiers within close proximity to the site include Amazon, Ocado, Asda, Tesco and Lidl. This, together with its BREEAM "Very Good" rating ensuring low running costs and high environmental sustainability, makes the asset highly attractive to a diverse range of potential occupiers.

Richard Walters, Partner at Orchard Street, commented: "Our forward-purchase of the Axion Building provided the unique opportunity to acquire a prime warehouse asset in a supply constrained market at an attractive entry price based on our asset management expectations. This site is located within Greater London's key industrial hub which demonstrates positive growth prospects underpinned by high demand from companies looking to serve their last mile delivery requirements, leaving us confident it will let well."

Neil Finnie of Buccleuch Property, said: "We are delighted to have achieved practical completion of this development. During the planning, design and construction phases, the focus was always on delivering a high quality asset. The strength of the location and occupier demand for this sector was underlined by our ability to secure £5.9m of speculative development finance from Royal Bank of Scotland."

Ewen McLeod of Wrenbridge, added: "Belvedere is a proven location for logistic operators and the new unit looks impressive and benefits from outstanding prominence to Bronze Age Way. It has been a pleasure working with Buccleuch and Orchard Street Investment Management on this one and we're confident it will let well."

Orchard Street was advised on the acquisition by Glenny, while the vendors were advised by Stonehill Partners. Letting agents for the scheme are CBRE and Glenny. For more information on the Axion Building, see: www.axion-park.co.uk.

-Ends-

For more information:

Orchard Street Investment Management:

John Humberstone

020 7494 8860

jhumberstone@orchard-street.co.uk

FTI Consulting:

Dido Laurimore/Ellie Sweeney/Jeanne Provencher

020 3727 1000

OSIM@fticonsulting.com

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.

About Buccleuch Property

Buccleuch Property (www.buccleuchproperty.co.uk) represents the commercial property interests of Buccleuch with the core of its business operating in the investment and development markets together with significant interests in the strategic land and residential sectors.

The company has a very experienced and well-motivated team who are focussed on providing hands-on asset, development and financial management; it aims to deliver innovative and sustainable projects to generate a combination of long term revenue streams and capital profits from trading.

With offices in Edinburgh and London, Buccleuch Property has a market exposure of circa £250m through a UK wide investment portfolio, a commercial development pipeline in excess of 2 million sq. ft. and a strategic land portfolio with over 10,000 consented housing units.

The business also has interests in a number of core long term joint ventures; these include Queensbury Properties which develops contemporary new homes in the Central Belt of Scotland, Native Land, an internationally recognised property development company specialising in high quality residential developments in prime Central London and a partnership with Audley Retirement in Scotland.

With an increasing portfolio of opportunities across the UK and with joint ventures in the US and Germany, Buccleuch Property is a committed and financially sound primary investor and seasoned JV partner with the benefit of a strong balance sheet and access to long term finance.