

EPISO joins forces with Cadena to access the UK retail warehouse market

AEW Europe and Tristan Capital are pleased to announce that European Property Investors Special Opportunities ('EPISO') Fund, the European value-added fund co-managed by them has made its seventh investment in the UK aided by Cadena Holdings Ltd ('Cadena').

The purchase of St Catherine's Retail Park North in Perth, Scotland forms the seed investment for a portfolio of retail warehouse investments which EPISO plans to acquire with Cadena as an operating partner. Cadena will assist in the sourcing and asset management of assets within the portfolio. It is envisaged that the portfolio will be built to a total value of £150 – £200 million and will be spent solely in the UK.

The EPISO Fund purchased St Catherine's Retail Park North in Perth, Scotland from the Prudential for £19 million, reflecting a net initial yield of 10.2%. The property forms the main retailing block within the wider St Catherine's Retail Park. The parade of units that have been acquired (9 units in total) extend to 179,016 sqft and the car park has capacity for 600 spaces. This is the fund's fourth transaction with the Prudential adding to the purchases of Wimbledon Bridge House and City Place House, London earlier this year and also the purchase of a diversified portfolio which was acquired in a JV with Mountgrange in 2008.

St Catherine's Retail Park North produces a total contracted income of £2.04 million per annum which equates to £11.43 psf; one unit is vacant and B&Q are not in occupation of another. Other tenants in the portfolio include Homebase, Halfords, Dreams, and PC World. The weighted average unexpired lease length for the portfolio is just under 6 years.

Ric Lewis, CEO of Tristan Capital, EPISO Fund Portfolio Manager commented, "Even though there has been a recent price recovery in the UK, we continue to believe that there are unexplored and undiscovered opportunities in the UK market and EPISO seeks to capitalise on them."

Rob Reiskin, Head of European Investments for AEW Europe concurred and added, "we were keen to access expertise in this specialised sector of the market and Cadena have a proven track record and the right people to achieve the goal."

AEW Europe is one of the pre-eminent European real estate investment managers with over 250 professionals operating from 11 offices in Barcelona, Bucharest, Budapest, Düsseldorf, London, Luxembourg, Milan, Paris, Prague, Stockholm, and Warsaw.

AEW Europe together with its U.S. and Singapore affiliates have approximately €30 billion in gross assets under management, are a subsidiary of Natixis Global Asset Management and constitute a broad, well-established network of relationships with property investors, owners, developers and lenders across the globe.



Tristan Capital Partners is a London-based investment management boutique specialising in real estate investment strategies across the UK and continental Europe. Tristan is the sub-advisor/portfolio manager for the AEW Europe Funds European Property Investors and European Property Investors Special Opportunities.

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