
Harwood buys UK-wide mixed portfolio for £65m

By Paul Norman - Monday, November 03, 2014

Harwood Real Estate, the property arm of Harwood Capital Management, has bought a UK-wide portfolio from Aprirose in an off-market transaction for £64.65m, reflecting a net initial yield of 8%.

Comprising 20 assets, the mixed-use portfolio includes: a 60,000 sq ft Wilkinson's in Ilford, north east London; a 140,000 sq ft Brake Bros distribution facility in Dundee; a John Lewis warehouse in Sheffield; a MAN Truck & Bus Centre in Glasgow; Carillion's 28,250 sq ft Malt House offices in Trafford Park, Manchester and a 125,000 sq ft ZF warehouse in Nottingham.

The portfolio generates an annual rental income of approximately £5.5m on leases with a weighted unexpired term to breaks of over 8.25 years.

Jonathan Whittingham, director at Harwood Real Estate, said: "We are continuing to see strong returns on good regional stock and are delighted to have secured this portfolio as a cornerstone to our real estate holdings.

"Having delivered strong performance for our third-party investors over the past 24 months, it was deemed the right time to deploy our own capital to benefit more directly. We will of course continue to co-invest with our strategic funding partners to allow us to access other larger-scale opportunities."

Rob Clayton of DRC Capital LLP, said: "We are delighted to have been able to support Harwood Real Estate in this significant acquisition through the provision of a whole loan that meets their financing needs.

"We have continued to see momentum for holistic debt solutions, and are pleased to have secured several financing mandates in the UK and Continental Europe, and expect see high levels of activity maintained into year end."

Harwood Real Estate was represented by Savills and debt for the transaction was provided by European Real Estate Debt II S.à.r.l, advised by DRC Capital LLP.

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