

Thursday, 21 October 2010

Mayfair Capital and Partner Capital One fund 2 Hyde Park Square

Mayfair Capital Investment Management Limited and the private equity firm, Partner Capital One, have created an Isle of Man Company, PC Mayfair Limited, in order to provide finance to the Liberty Property Limited Partnership residential development at 2 Hyde Park Square, London, W2.

A total of £5 million of equity has been committed by the MC Special Opportunities Fund and Partner Capital One, together with co-investment by the Directors of Mayfair Capital and the Partners of Partner Capital One.

The scheme, which has a gross development value of around £60 million, has planning consent to enable comprehensive refurbishment and the creation of 36 modern apartments with 24 underground car parking spaces. The refurbishment works will commence this month with completion estimated for Easter 2012.

Sales prices are being targeted in the range of £600,000 to in excess of £5 million. Whilst some domestic buyers are anticipated, the market for these apartments in this location is expected to come from Middle and Far Eastern markets, with potential for selling "off-plan" prior to completion.

Hyde Park Square is regarded as being an "up and coming" location. The area is constantly improving and the Lancasters development fronting Hyde Park has been attracting sales at in excess of £3,000 per square foot.

Savills are appointed as sales agent for the development and based on today's exit values, a net IRR in excess of 20% per annum is expected.

James Thornton, Fund Director at Mayfair Capital, commented, "This represents an excellent off market position for our opportunistic fund to diversify and gain exposure to the Central London residential development market. Although there may be fluctuations in the market, Sterling's relative weakness and the lack of supply (particularly of new build projects,) mean that we are confident of a successful outcome."

Diarmid Ogilvy, partner of Partner Capital One, said, "This initiative will benefit our Family Office and High Net Worth Individual investors by taking advantage of the current opportunity to provide equity finance to the Central London property market, which has shown great resilience in these difficult markets. Recent changes in bank risk appetite have opened opportunities for private equity in the property sector and Partner Capital One is pleased to play an important role in facilitating the completion of this transaction."

Phillip Morris, Managing Director of Liberty Property PLC, on behalf of the Liberty Property Limited Partnership, commented, "We are confident that the product, specification and location of the development will meet a very real gap within the prime Central London residential market."

Mayfair Capital Investment Management Limited
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Notes to Editors

Mayfair Capital Investment Management

www.mayfaircapital.co.uk

Mayfair Capital was formed in June 2002 as an independent property fund management business designed to serve charities, private investors and pension funds. It currently manages £300m in pooled funds.

The MC Special Opportunities Fund is a Guernsey OEIC (open ended investment company) with an absolute return objective of 10% per annum with a bias to capital growth. The investors in the Fund are a combination of high net worth investors and pension schemes.

Partner Capital One

www.partnercapitalone.com

Partner Capital One ("PC-One") is a specialist investor in small and medium sized companies. It aims to find investments that offer outstanding returns whilst trying to limit the downside risks through carefully structured investment vehicles.

To date, PC-One has focused mainly on financial services, health, communications, real-estate, and retail opportunities but does consider investments in other sectors. PC-One invests on a deal by deal basis alongside its investors (predominantly Family Offices and HNW Individuals). Our primary focus is on investments that require less than £15 million of equity capital.

Liberty Properties PLC

www.libertyplc.co.uk

Liberty Properties is a development company with a 20 year track record of development principally in the retail, leisure, office and residential sectors. In the last 2 years. It has completed a project known as HQ in Chester, a 250,000 square foot mixed use scheme of residential, office and a hotel at the entrance to Chester, overlooking the race course.

The principals have also carried out a significant residential refurbishment in Brussels, similar in concept to Hyde Park Square, which completed in 2008.

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