

For Immediate Release

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Mayfair Capital charities fund forward purchases Watford office development

A new 28,000 sq ft office development in Watford is being purchased by The Property Income Trust for Charities (PITCH).

The specialist fund - which is managed by Mayfair Capital Investment Management Limited (Mayfair Capital) and enables UK charities to invest in commercial property in a tax-efficient manner - has exchanged contracts to acquire the pre-let Clarendon Works project at 36 Clarendon Road for £14.5m on a forward commitment basis reflecting a net initial yield to PITCH of 5.84% (5.56% on full market costs).

Due for completion next year, the scheme has been developed by Boulton Brooks Real Estate (BBRE) and is the first new-build office project in Watford for more than 15 years. Availability of Grade A office space in the town has been steadily declining and now stands at close to zero.

PITCH Fund Manager, Simon Martindale, comments: "The purchase reflects Mayfair Capital's thematic investment strategy of acquiring high quality office buildings in urban areas which are supported by good local amenities and transport links.

"Watford is strategically located inside the M25 and has excellent rail links into Central London with a journey time of just under 15 minutes to Euston. The Intu Watford shopping centre is currently undergoing a £110m redevelopment programme which will provide further restaurant, retail and leisure amenities.

"Watford office rents remain at a considerable discount to Central London as well as comparable office locations such as Uxbridge and Staines where prime rents are now up to £36 per sq ft. Accordingly, we see Watford becoming an increasingly attractive office location for occupiers and expect to see good rental growth off the current level of income."

The building has been pre-let to WPP subsidiary, Salmon - a global digital commerce consultancy whose clients include Argos, Audi UK, Sainsbury's, Selfridges and Ted Baker. It has taken a 15-year lease with a tenant break option in Year 10 at a rent which equates to £31.50 per sq ft.

BBRE Development Director, Alex Aitchison, comments: "Our strategy to speculatively develop new exciting workspace in markets with limited supply, significant lease events, and increasingly attractive market characteristics, secured the pre-let to Salmon, a top international occupier. The forward sale to PITCH further cements the outstanding investment credentials in terms of connectivity to Central London, range of retail and leisure amenities, and rents at a discount to competing centres. BBRE have significant funds available to commit to this type of acquisition and we will continue to target similar opportunities in the coming months".

Hanover Green acted for PITCH in the acquisition. Aurum Real Estate acted for BBRE.

The Property Income Trust for Charities (PITCH) is a unit trust designed as a pooled property vehicle available to all UK Charities and EU Qualifying Charities. It was established to permit qualifying charities to co-invest in UK property in a manner that is tax efficient for both income and capital. It also has the advantage of allowing properties to be acquired free of Stamp Duty Land Tax.

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Mayfair Capital

Mayfair Capital is a UK real estate investment management business and a member of Swiss Life Asset Managers. Founded in 2002 and headquartered in London, Mayfair Capital is authorised and regulated by the FCA. Its management board, which is chaired by Stephen Musgrave, includes William Hill (non-executive director), James Thornton (chief executive officer), Robert Palmer (chief investment officer), Graham Langlay-Smith (chief operating officer), Ned Pumphrey (fund director) and James Lloyd (head of business development & marketing). Mayfair Capital serves a diverse client base extending to over £1bn AUM, through its discretionary and advisory funds, which include The Property Income Trust for Charities, Mayfair Capital Property Unit Trust, Mayfair Capital Commercial Property Trust, MC Property Growth Fund No 2, Mayfair Capital Residential 1 and Mayfair Capital Residential 2.

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