

M&G REAL ESTATE ANNOUNCES £36 MILLION INDUSTRIAL FORWARD FUNDING DEAL

New stock development committed as 166,000 sq ft of new industrial lettings take M&G Property Portfolio industrial vacancy to zero

LONDON, 22 July 2015 – M&G Real Estate is to fund the construction of a 480,000 sq ft distribution warehouse at Markham Vale in, Chesterfield. The total commitment is £36 million, representing a net initial yield of 6%. The site was acquired from Henry Boot Developments Ltd who will be retained as the development manager.

Markham Vale is a successful business and distribution park strategically located on Junction 29A of the M1. The site extends to around 27.5 acres and is pre-let to Great Bear Distribution Ltd, a leading third party logistics company. On practical completion of the development Great Bear Distribution will take a 15 year lease at an annual rent of £2.77 million per annum with 5-yearly open market rent reviews.

Andrew Windle, Associate Director, Logistics and Industrial at M&G Real Estate, comments: “There is very strong investor demand for new, prime distribution assets in the Midlands due to the very tight supply and continued demand for new space. This will be a prime development in a core and very prominent location off the M1.”

Ben Ward from Henry Boot Developments Ltd, adds: “We look forward to welcoming Great Bear Distribution Ltd to Markham Vale. This is one of several major deals at the site over recent months and represents significant investment into the area.

“We’ve worked closely with M&G Real Estate to secure this deal and we are sure further interest will continue to follow as a result of this latest investment.”

Gerald Eve and Aspect Property Consultants acted for M&G Real Estate, JLL, Burbage Realty and Legat Owen acted for Henry Boot Developments Ltd.

Separately, M&G Real Estate has concluded a run of lettings on behalf of the M&G Property Portfolio, managed by Fiona Rowley and Justin Upton. Sigma Retail Solutions has signed a 63,000 sq ft letting at Link 62 Distribution Park in Normanton on a five-year term, while Menzies Distribution Ltd’s 103,000 sq ft letting at Wakefield 42 Industrial Estate fills the last industrial void in the fund.

Fiona Rowley comments: “With the tight supply of existing industrial accommodation in the market coupled with strong occupier demand, we are seeing rental growth coming through which has helped us to achieve competitive terms for the lettings at Normanton and Wakefield. These market dynamics are also driving our strategy to provide new stock in the right distribution locations, speculatively where demand allows, such as a 175,000 sq ft distribution unit currently being constructed at Trafford Park, Manchester, which is on track for practical completion in Q4 2015.”

Carter Towler, DTZ, Gent Visick and Colliers acted for M&G Real Estate on the two lettings.

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Notes to Editors:

About M&G Real Estate

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M&G is the investment arm of Prudential Plc in the UK, Europe and Asia. For more information please visit www.mandg.com/realestate

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