

# Specialist Property Investment

2019

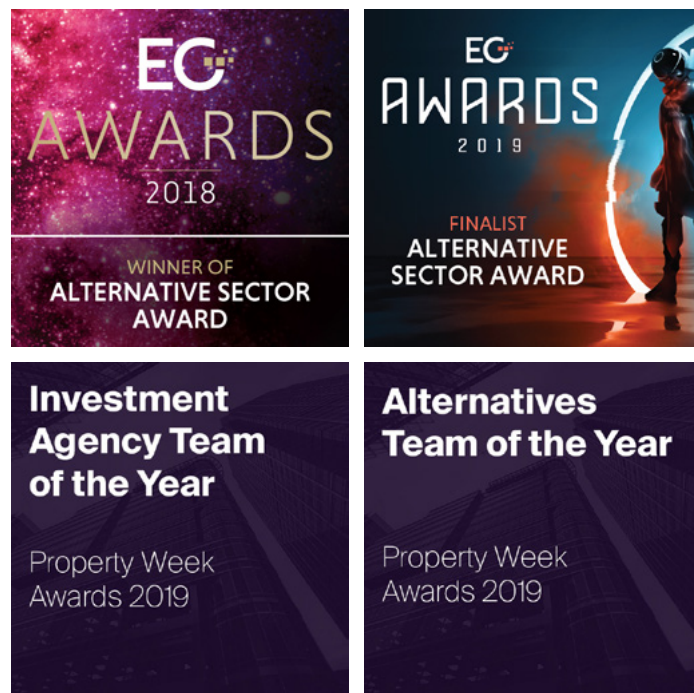
Track Record and Expertise



Advising on over £28.3bn a year, Knight Frank is the UK's leader in alternatives with dedicated Long Income, Healthcare, Automotive, Hotels and Student Property teams.

This has been recognised by both Estates Gazette and Property Week in their most recent set of commendations. The team is also a finalist for the 2019 Estates Gazette Alternative Sector Award.

#### AWARDS



## Our Expertise

Knight Frank's Specialist Property Investment Team is a pioneer in the alternative sectors having launched a decade ago.

Through strategic and organic growth, the dedicated and market-leading team consists of the top advisers in the market. We have transacted and advised on over £28.3bn across the Healthcare, Automotive, Student Hotels, Ground Rent, Energy and other alternative sectors assets in the past year.

We have an excellent track record in both acquisitions and disposals, providing bespoke advice for each client requirement, be that 'off market' strategic approaches or 'on market' sales campaigns leveraging off Knight Frank's global brand and International network. We provide strategic advice on the composition of investor's funds and the optimum timing for future acquisitions or disposals.

The team has in excess of 35 years' experience in the capital markets arena and is continuing to build on our previous success.



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## 01

### LEGOLAND HOTEL, WINDSOR

**Client:** Aberdeen Standard

**Sector:** Hotels

**Detail:** Acquisition of the long leasehold interest in a 150 bed full service hotel let to Merlin Entertainments Plc for 29 years. The lease is subject to annual uncapped rent reviews linked to RPI.

**Value:** £36,000,000





## 02

### HAYES DATA CENTRE

**Client:** LPA Receivers (Co-op Bank Plc)

**Sector:** Data Centre

**Detail:** Disposal of the freehold interest in a 106,000 sq. ft. Data Centre let to Deutsche Bank AG for 2.75 years. The centre had significant asset management potential.

**Value:** £13,680,000



## 03

### TRAVELODGE PORTSMOUTH CENTRAL

**Client:** Private Developer (CHG Property Development Ltd)

**Sector:** Hotel - Forward Funding

**Detail:** Disposal on a forward funding basis of the freehold interest in a new 152 bed hotel let to Travelodge Hotels Ltd for 25 years from PC. The lease is subject to five yearly rent reviews linked to CPI (1% collar & 4% cap).

**Value:** £19,050,000





## 04

### PROJECT CHARIOT, NCP PORTFOLIO

**Client:** Private Equity (CPCo Borrower Ltd)

**Sector:** Car Park

**Detail:** Disposal of the freehold (44) and leasehold (44) interests of 88 car parks totalling 31,736 spaces. The car parks are all let to NCP Ltd with a WAULT of 21.1 years. All leases are subject to annual rental uplifts either fixed at 3%, RPI (1.5% cap & 5.0% collar) or a mixture of the two on a 50:50 basis.

**Value:** £500,000,000



## 05

### GODIVA PLACE, COVENTRY

**Client:** Private Developer (Regents Godiva)

**Sector:** Student - Forward Funding

**Detail:** Disposal of a forward funded income strip opportunity comprising 769 student bedrooms let to Coventry University for 30 years. The lease is subject to three yearly rent reviews linked to RPI (1.0% collar & 3.5% cap). The tenant has the right to acquire the freehold for £1 at expiry of the lease.

**Value:** £74,490,000





## 06

### PROJECT DELTA

**Client:** PGIM

**Sector:** Ground Rent

**Detail:** Acquisition of 17 hotel ground rents with an annual rent roll of £4,442,478 let to various SPV's with a WAULT of 999 years. The lease is subject to five yearly rent reviews linked to RPI (1% collar & 4% cap).

**Value:** £156,800,000

“The Knight Frank Specialist Investment Team have been key to our success this year. Their fundamental understanding and knowledge of how we work and our structures, specifically in the long income and ground rent markets, has resulted in some truly unique opportunities which would otherwise have not been available. We are delighted to have transacted on these deals with them and have and have nothing but praise for a team whose level of professionalism and quality of advice we consider exemplary. We look forward to continuing to work with the team.”

James Stacey

PGIM



## 07

### HUB BY PREMIER INN, KINGS CROSS

**Client:** Legal & General

**Sector:** Hotel - Forward Funding

**Detail:** Acquisition on a forward funding basis of the freehold interest in a new 389 bed hotel let to Premier Inn (UK) Ltd guaranteed by Whitbread Group Plc for 26 years. The lease is subject to five yearly rent reviews linked to CPI (0% collar & 4% cap).

**Value:** £84,500,000

“The Specialist Investment Team at Knight Frank provided comprehensive and sound advice on this complex asset from the outset. Their expertise was vital to the successful transaction; we look forward to working with them again in the future.”

Adam Kerr

HEAD OF TRANSACTIONS, LEGAL & GENERAL  
INVESTMENT MANAGEMENT REAL ASSETS





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## 08

### BMI HARBOUR HOSPITAL, POOLE

**Client:** Henderson UK

**Sector:** Healthcare

**Detail:** Disposal of the freehold interest in a 37,797 sq. ft. private hospital let to BMI Healthcare Ltd for 19 years. The lease is subject to annual fixed rental uplifts of 2.5%.

**Value:** £34,500,000





## 09

### SILVER TREES CARE HOME, BRISTOL

**Client:** AEW

**Sector:** Care Home

**Detail:** Sale and leaseback acquisition of the freehold interest in a 62 bed care home let to Handsale Ltd for 20 years. The lease is subject to annual rent reviews linked to RPI (1% collar & 4% cap).

**Value:** £6,600,000

“Not only did the SPI Team present us with this investment opportunity, they provided the key occupational advice which allowed us to underwrite the transaction. Without their considered analysis this transaction is unlikely to have succeeded.”

Ed Long  
INVESTMENT DIRECTOR, AEW



## 10

### WORLD OF GOLF

**Client:** Newcore Capital Management

**Sector:** Other

**Detail:** Disposal of the freehold interest in a 24-bay driving range and mini golf course let to Ashtour Ltd for 15.5 years. The lease is subject to five yearly uncapped rent reviews linked to CPI.

**Value:** £4,425,000





## 11

### VIRGIN ACTIVE WANDSWORTH, LONDON

**Client:** Orchard Street Investment Management

**Sector:** Health and Fitness

**Detail:** Acquisition of the long leasehold interest in a 39,667 sq. ft. health & fitness club let to Virgin Active Ltd guaranteed by Virgin Active Holdings Ltd & Virgin Active Group Ltd for 19.8 years. The lease is subject to one rent review linked to RPI (1% collar & 3% cap); with open market reviews every five years thereafter.

**Value:** £12,950,000



## 12

### GROSVENOR CASINO, THE VICTORIA

**Client:** Aproz

**Sector:** Leisure

**Detail:** Disposal of the freehold interest in prominent West End casino let to Grosvenor Casinos Ltd for 8 years. The lease is subject to five yearly rent reviews linked to RPI (0% collar & 3% cap). The tenant has the option to renew for a further five, ten or fifteen years. The investment also benefits from 48 adjoining apartments which are underlet for a further 91 years.

**Value:** £70,000,000





## 13

### TRAVELODGE BRENT CROSS

**Client:** Aberdeen Standard

**Sector:** Hotels

**Detail:** Disposal of the freehold interest in a 128 bed hotel let to Travelodge Hotels Ltd for 24 years with offices let to Secretary of State on the ground floor. The hotel's lease is subject to five yearly rent reviews linked to CPI (1% collar & 4% cap).

**Value:** £16,000,000



## 14

### THE MALDRON HOTEL - NEWCASTLE

**Client:** Aberdeen Standard

**Sector:** Hotel - Forward Funding

**Detail:** Acquisition on a forward funding basis of the virtual freehold interest in a new 265 bed hotel let to Dalata Cardiff Ltd under the 'Maldron Hotel' brand for 35 years from PC. The lease is subject to five yearly rent reviews linked to RPI (0.5% collar & 3.5% cap).

**Value:** £32,700,000

“Knight Frank act for us in both acquisition and disposals. We work with them for their focused high standard of service and sound advice. Over the past twelve months the SPI team have originated and provided invaluable assistance in several successful and complex transactions.”

James Dunne

HEAD OF OPERATIONAL AND STRATEGIC TRANSACTIONS,  
ABERDEEN STANDARD INVESTMENTS





## 15

### EVANS HALSHAW MOTOR PARK

**Client:** Kennedy Wilson

**Sector:** Automotive

**Detail:** Disposal of the freehold interest in motor park occupied by Ford, KIA, Citroën and Vauxhall let to Pendragon Property Holdings Ltd for 11.3 years. The lease is subject to five yearly 3% fixed rental uplifts.

**Value:** £14,300,000



## 16

### TRAVELODGE TOWER BRIDGE

**Client:** Aproz

**Sector:** Hotels

**Detail:** Disposal of the freehold interest in a 190 bed hotel let to Travelodge Hotels Ltd for 31.5 years. The lease is subject to five yearly uncapped rent reviews linked to RPI.

**Value:** £47,100,000





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## Z HOTEL SOHO

Client: Aprirose

Sector: Hotel - Forward Commitment

**Detail:** Disposal on a forward commitment basis of the freehold interest in a new 110 bed hotel let to Z Hotels Ltd for 45 years from PC. The lease is subject to annual rent reviews linked to RPI (2% collar & 5% cap).

Value: £40,128,000

“Knight Frank has assisted us in identifying key market trends and acquisition opportunities. We have transacted in excess of £1.5 billion in 40 deals with the team and have an excellent working relationship with them.”

Manish Gudka

MANAGING DIRECTOR, APRIROSE



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## BOURNE HALL IVF CLINIC, WICKFORD

Client: KFIM

Sector: Healthcare

**Detail:** Acquisition of the freehold interest in a newly constructed 10,833 sq. ft. IVF clinic let to Bourne Hall Ltd for 32 years. The lease is subject to three yearly rent reviews linked to RPI (2% collar & 5% cap).

Value: £5,025,000

“Knight Frank provided much needed detailed advice on this complex and unusual asset. They were conscientious throughout the negotiations leading to a successful acquisition. We look forward to working with them again in the near future.”

Grace Agnew

INVESTMENT SURVEYOR, KFIM





## Clients



## 19

### LITTLE HEATH CARE CENTRE, BRISTOL

**Client:** BlackRock

**Sector:** Care Home Forward Commitment

**Detail:** Acquisition on a forward commitment basis of the freehold interest in a new 64 bed care home and 24 bed respite care centre let to Brunelcare for 25 years from PC. The lease is subject to annual uncapped rent reviews linked to CPI.

**Value:** £16,305,000



# Our people

The Knight Frank Specialist Property Investment team is supported by our professional and agency teams who are market leaders in their field. We regularly collaborate with our wider UK regional network and overseas presence. Combining this with our personal, impartial advice, we believe the service we provide is unrivalled.

Knight Frank has positioned itself at the forefront of the specialist property market, having identified this sector as one of the most significant areas of growth over a decade ago.

Our Specialist Property Group covers Automotive Property, Energy, Hotels, Healthcare, Institutional Consultancy and Student Property. We provide the full spectrum of expert knowledge, including business valuations, transactions, sale & leaseback, development, landlord & tenant and research on every type of asset and registration type within the relevant sectors.

Our unique selling point is that we fully appreciate the business nuances and act for the majority of the UK's operators, lenders, funds, institutions, property companies and developers.

We are passionate about our sectors and are resolutely focused on providing a best in class service to our clients. Our team consistently adds value by drawing on the significant resources available through our national network of industry specialists.



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& property, perfectly.

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