

Travis Perkins completes £32.25m sale-and-leaseback

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Travis Perkins Properties has completed the sale and leaseback of a £32.25m portfolio of trade and warehouse units at an initial yield of 6.13%.

The joint purchasers are Connection Capital and Riverside Capital and the portfolio will be managed by Riverside Capital.

Travis Perkins, which has retained a 15% stake in the purchasing vehicle, was advised by Hoddell Stotesbury Morgan and Herbert Smith Freehills.

The 19 units are spread throughout the UK and the trade units typically have low site cover.

They will be occupied by a variety of Travis Perkins' trading entities on 15 year leases, with rent reviews linked to CPI. The acquisition builds on the Merchant Property portfolio of 35 Travis Perkins units, which was originally transacted in 2006 but subsequently acquired in 2014 for £33.4m by Riverside Capital and Connection Capital.

Martin Meech, Group Property Director of Travis Perkins, said: "The sale of this portfolio is in line with Travis Perkins' strategy of recycling its real estate assets but the structure of this particular transaction has allowed us to retain an equity stake in the properties."

Andy Taylor, managing director at Riverside Capital, said: "We are delighted to work with Travis Perkins and Connection Capital to secure this second, off-market investment. This is an attractively priced, well-let, geographically diverse portfolio which has rental growth built-in and which is underpinned by strong fundamentals."

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