

## PGIM Real Estate enters joint venture in UK industrial & logistics

3 years ago



PGIM Real Estate has entered into a joint venture with Kier Property, on behalf of its closed European value-add strategy, European Value Partners II, to develop a portfolio of light industrial and last mile urban logistics warehouses across the UK.

PGIM Real Estate is the real estate investment and financing business of PGIM, the US\$1.5 trillion global investment management businesses of Prudential Financial, Inc. (NYSE: PRU). Kier Property is part of Kier Group, a leading provider of infrastructure services, construction and property developments.

The venture will have £400 million of capital to deploy and will seek to acquire sites in key urban areas and strategic logistics locations to develop them under Kier's successful Logistics City and Trade City brands. Kier Property has an excellent development track record in the industrial sector, having delivered over 6 million sq ft of industrial floorspace across 48 schemes. Each scheme in the joint venture will be delivered to the highest institutional specification with a strong focus on sustainability, targeting a minimum EPC rating of A and BREEAM Excellent certification.

PGIM Real Estate and Kier Property will work together to source, develop and lease the portfolio. Together, it has already secured a strong pipeline of opportunities including two developments in Bognor Regis and Knowsley and a further deal in exclusivity within Greater London.

Bognor Regis consists of 8.9-acres at Saltbox Business Park where plans are to develop 200,000 sq ft of light industrial and mid-box industrial space. At Knowsley Business Park, the venture has been selected on a 28-acre site forming part of one of Europe's largest industrial parks.

Leigh Thomas, managing director at Kier Property added: "I'm pleased to announce our joint venture with

PGIM Real Estate. It's a very exciting time for Kier Property and the JV is already creating key opportunity for our businesses to target. Our industrial offer includes enhanced ESG/sustainable design and renewable technologies, alongside consideration of each building's operation and management to encourage the reduction of carbon emissions."

Charles Crowe, Head of UK Transactions at PGIM Real Estate comments, "The UK is currently witnessing record levels of industrial demand backed by the highest e-commerce penetration in Europe. This is expected to continue rising on the back of changes in consumer behavior accelerated by Covid-19 as well as a trend towards greater supply chain resilience and increased industrial production. With this venture, we continue to focus on high conviction themes to create value for our investors. We are excited to partner with Kier Property and develop a portfolio which addresses the undersupply of high-quality UK industrial and logistics assets."

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Note: Image is a stock image and not related to the JV purchase