

Project King, M&G's platform with M7, expands with £165m deal

3 years ago



M&G Real Estate has completed the acquisition of nine multi-let industrial assets across the UK from Patrizia, for £165m.

The assets totalling 1.5m sq ft will be added to M&G's existing platform with asset manager M7 Real Estate ("M7") known as Project King, which now has assets under management of more than £460m. The transaction provides M&G with a diversified, growing income stream that will strengthen the already successful mandate that has been managed by M7 for over eight years.

The platform started in 2013 with a portfolio of 40 units aimed at tapping the small unit industrial and last-mile logistics sector to capitalise on the rapid growth of online retailing. Estates in Leeds, Aston and Alton have been acquired in recent years, whilst Project Duke, comprising five assets in the North East of England and Scotland, was sold to Industrials REIT in August last year. Following the most recent acquisitions, the portfolio comprises over 800 units in England, Scotland and Wales, including multiple assets in strategic industrial and logistics locations such as Milton Keynes, South Manchester, Glasgow and Avonmouth.

Project King provides high-quality properties for a diverse range of businesses, with tenants including Howdens, Screwfix, Wolseley and Akzo Nobel. It has collected more than 98% of rent during the pandemic, proving its resilience despite the economic uncertainty of the past two years.

Will Mitchell, Senior Asset Manager at M7 Real Estate, said "we are very pleased to be expanding our relationship with M&G and taking on the management of further institutional grade industrial estates with strong day one reversionary potential and a resilient tenant profile. Multi-let rents continue to be on a positive trajectory and we envisage that the low void rates we're seeing nationally, combined with the current pent-up occupier demand, will bolster the portfolio's income stream in the coming years. In addition, as we look ahead to a key period for ESG, our portfolio asset plans will ensure the estates are future-proofed to improve their existing credentials."

Image credit: M7 Real Estate