

British Land makes further strategic progress in retail parks with over £120m of gross capital activity

2 years ago



British Land is pleased to announce that since the half year results in November, it has completed on the acquisition of three high quality retail parks for a total of £94m and sold its 50% stake in a retail park in Preston for £30m.

These deals are in line with our strategy to actively recycle capital and consolidate our position as the UK's largest owner and operator of retail parks, strengthening our ability to sign portfolio leasing deals and enhance returns.

Summary of deals

- Acquisition of the Capitol Retail and Leisure Park, Preston for £51.5m, representing a net initial yield (NIY) of 8.43%. The 300,000 sq ft park is let to a good mix of retailers including Next, Home Bargains and Boots. It is the most prominent retail park in the area and benefits from direct access to Preston city centre and the M6 and M65 motorways.
- Acquisition of Solartron Retail Park, a 90,000 sq ft retail park in Farnborough for £35m (7.65% NIY). The park is fully let to a strong mix of retailers including Lidl, Pets at Home and DFS, and benefits from an excellent southeast location within a growing and affluent catchment where retail supply is constrained.
- Acquisition of DFS, 442 Newmarket Road, a 20,000 sq ft prime retail warehouse in Cambridge for £7.35m (7.14% NIY), which sits immediately adjacent to the B&Q we acquired last year. This purchase offers a secure income stream with the potential for a longer-term life sciences

redevelopment in a strategic location.

- Sale of our 50% stake in Deepdale Retail Park, Preston to Melford Capital for £30.3m (7.5% NIY/BL share), in line with our strategy of actively recycling capital.

Kelly Cleveland, Head of Strategy and Investment at British Land, said: “With retailers increasingly focused on the role of their stores, retail parks have emerged as a preferred format, due to their compatibility with omni channel retail, their affordability and appeal to online resilient businesses. This is driving good occupational demand across the portfolio reflected in our 97% occupancy and growing ERVs.”