

British Land announces sale of its 50% Meadowhall stake

2 years ago



In line with its strategy to focus on retail parks and reduce exposure to covered shopping centres, British Land announces that it has exchanged contracts for the sale of its 50% stake in Meadowhall Shopping Centre to its partner Norges Bank Investment Management for £360m.

This follows the sale of some ancillary land by the Joint Venture for £7m (British Land share) earlier this year. Together these deals value the entirety of the Meadowhall Estate at £734m, 3% above September 2023 book value.

Proceeds after net debt of c.£200m are expected to total c.£156m. The impact of the transaction on FY25 NTA per share is expected to be negligible and the FY25 EPS dilution is estimated to be 0.6p prior to reinvestment. The transaction would reduce HY24 proportionally consolidated LTV by 2.7ppt. As part of the transaction, British Land will remain as asset manager of Meadowhall shopping centre, for which it will continue to earn fees in line with current terms.

The transaction is expected to complete in July 2024 and the proceeds will be used for general corporate purposes including reinvestment into retail parks.

Simon Carter, Chief Executive of British Land, said: "We have had a successful partnership with Norges over many years and are delighted to continue to work alongside them as asset managers of the centre.

Following the sale of Meadowhall, 93% of our portfolio is now in our preferred segments of retail parks, campuses and London urban logistics.

We will continue to grow our retail park portfolio; with low capex requirements parks offer attractive cash

returns and at 99% occupancy we are delivering strong rental growth.”