

Property Week

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City office bonanza

■ A glut of office assets worth more than £2.2bn to hit market as investors seek to cash in before year-end

BY RICHARD WILLIAMS

A trio of City of London offices is set to come to market next month as investors look to cash in on a fourth-quarter investment bonanza expected to smash last year's £3bn.

The three offices are together worth around £350m and are the latest in a raft of £2.2bn worth of assets being brought forward in September.

German closed-ended fund HIH Global Invest is assessing its options on two of its holdings, 100 New Bridge Street and Friary Court, while US investor Cornerstone Real Estate is set to put 40 Gracechurch Street on the block.

Hamburg-based HIH, a subsidiary of Hamburgische Immobilien Handlung, is considering the sale of the 167,000 sq ft 100 New Bridge Street, which would fetch around £150m, after receiving off-market interest in the asset. It has also appointed Bilfinger

GVA to assess its options on Friary Court, located in the heart of the financial district, which includes the possibility of a £60m sale. HIH bought 100 New Bridge Street, the head office of solicitors Baker & McKenzie, for £110m in 2010 and acquired the 75,000 sq ft Friary Court for £42.6m in 2009.

Cornerstone is due to put 40 Gracechurch Street on the market for a guide price of around £140m, having completed an asset management programme that means it is now 100% let. The Connecticut-based firm announced the final letting in the 122,000 sq ft building to Hampden Capital last week and has now appointed GM Real Estate ahead of a sale. It bought the building for £94m in 2013 when it was 52% occupied and could realise a profit of almost 50% on sale.

The three buildings add to a glut of office assets coming forward next month. Blackstone is particularly active - as *Property Week* revealed last week, it has put a £550m price tag on the Devonshire Estate and

is marketing High Holborn Estate for £130m and One America Square for £150m.

Meanwhile, Hines is working up plans to sell Cannon Place for around £500m and has Broadgate Quarter under offer for £432m. Elsewhere, Land Securities is thought to be working up plans to sell the former News UK headquarters at Thomas More Square for around £300m; Abu Dhabi Investment Authority (ADIA) has appointed agents to sell 5 Fleet Place at £140m; and Deutsche Asset and Wealth Management will bring forward the Helicon for a similar price.

GM Real Estate's Tony McCurley said the market was in good shape to absorb the rush of lots. "September often sees large volumes of stock coming to the market as investors look to sell by the year-end. There are clear examples where it is pure profit-taking but also where investors are repositioning their portfolios for the future. Demand remains strong so we would expect the market to absorb this fairly easily," he said.

Top Gear trio steers west

Former *Top Gear* presenters Jeremy Clarkson, Richard Hammond and James May have launched a search for premises for their new production company.

Agency Martin Burke & Associates has been tasked with finding 5,000 sq ft of space for W Chump & Sons, the company set up by the trio along with former *Top Gear* executive producer Andy Wilman.

The firm is seeking office space in Hammersmith and Chiswick, but could also consider moving to Notting Hill. One

of the main requirements of the new base is generous car parking space.

Earlier this year, Clarkson, Hammond and May signed a reported £160m deal with Amazon Prime Video for three series of a new yet-to-be-titled motoring show.

The new programme is set to launch on the streaming service next year. The presenters had previously fronted 22 series of the popular BBC2 motoring show.


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