

Frogmore's £73m Maidenhead park buy

■ Thames Valley investment market thrives while lettings dwindle

BY JONATHAN BRASSE

FROGMORE REAL ESTATE PARTNERS paid £72.75m for BP Pension Fund's Foundation Park in Maidenhead this week, showing that investment in the Thames Valley continues to be strong in the face of a sluggish occupational market.

Among the underbidders for the 236,548 sq ft (21,975 sq m) office complex, which was put up for sale by Ropemaker Properties for £62m, were Arlington, Kenmore, UBS and LaSalle Investment Management. The price paid reflects a 5.6% yield.

The eight-strong complex is let to companies including Johnson & Johnson, Nortel, Galileo International and Biogen, on leases expiring between now and 2013.

The purchase comes just a week after Evans Randall, the privately owned investment bank, bought Scottish Widows' Lakeshore scheme at Bedfont Lakes, Middlesex, for £156m in the biggest office deal in the south-east outside London since 2000 (news, 28.07.06).



Strong Foundation: £73m price represents 5.6% yield for the office park

While investment activity is strong, the occupational market has been relatively quiet since mining giant Rio Tinto's last-minute decision to switch from Stanhope and Schrodgers' Chiswick Park to a prelet at Derwent Valley and Prupim's 107,000 sq ft (9,940 sq m) Telstar scheme in Paddington.

Foundation Park is the second purchase for Frogmore Real Estate Partners' £1bn fund. It has also bought New Horizon Park – an industrial development site near Coventry and junction 3 of the M6 – from a private investor for £5.5m. The site has planning consent for

a 220,000 sq ft (2,043 sq m) unit.

Paul White, managing director at Frogmore, said of the purchases: 'They are geographically spread throughout the UK and cover three of the sectors we will be targeting: offices, industrial and retail.'

Foundation Park is on a 12.5 acre (5.1 ha) plot and was developed in 1988. In 2001 BP bought it for £65.5m from Prudential.

Colliers CRE acted for Frogmore on the acquisition of Foundation Park while King Sturge acted for BP Pension Fund. CB Richard Ellis is advising Frogmore on the purchase of the New Horizon Park.