

# Frogmore lines up £130m fund debut

■ HSBC to achieve sub-5% yield on sale of three shopping centres

BY LAURA CHESTERS

FROGMORE IS SET TO MAKE ITS FIRST purchase for its £1bn Frogmore Real Estate Partners fund.

The purchase of a £130m portfolio of shopping centres coincides with the sale of Hull shopping centre to former Bride Hall Developments director Mark Booth for £53.1m.

Frogmore is reinventing itself as a property fund manager and selling much of its £600m property portfolio (news, 02.06.06).

It is in exclusive talks to buy three shopping centres for more than £130m from HSBC Specialist Investments Shopping Centre Fund III. They are the 224,000 sq ft (20,810 sq m) Belle Vale Shopping Centre in Liverpool; the 180,000

sq ft (16,722 sq m) Broadwalk Shopping Centre in Knowle, near Bristol; and the 265,000 sq ft (24,619 sq m) Port Arcades in Ellesmere Port in Cheshire.

They were put up for sale last month through DTZ for around £140m. The purchase price represents an initial yield of less than 5%. HSBC acquired all three centres in the last two years. Frogmore declined to comment.

This will be the first purchase for the Frogmore fund, which raised £330m of equity from UK, continental European and US investors and closed at the beginning of June. The fund will run alongside Frogmore's existing £600m portfolio, but all future acquisitions will be for FREP.

Frogmore has completed the sale of its 180,000 sq ft (16,722 sq m) Northpoint shopping centre and four units totalling 37,000 sq ft (3,437 sq m) in Hull to Mark Booth's Wildmoor Properties, reflecting a net initial yield of 5%. Tenants include New Look, KwikSave, Wilkinson, and Boots.

Eric Roseman, director of asset management at Frogmore, said: 'This sale is consistent with our strategy to exit from our existing property at the right time and follows our strategy to get the new £1bn fund going. We are not in a hurry to sell all our existing assets, but at the right time, and with the right deal, we can sell up.'

Churston Heard advised Frogmore; Jackson Criss advised Mark Booth.