

Frogmore finishes first close of £1.2bn fund

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By **Laura Chesters**

Second fund raises more than £200m for opportunistic spending spree before end of 2008

[Frogmore](#) this week made the first close of its second fund, having raised more than £200m of a £400m equity target.

Paul White's property company has made the first close of Frogmore Real Estate Partners II – a proposed £1.2bn opportunity fund focused on UK property.

The fund can gear up to 65% and the investors include many who invested in the first fund in 2006 – predominantly US and European pension funds.

The £200m plus of equity was raised over the last four months in a tough market and White said it could begin investing from this month.

'Now could be the right time to buy. We have the second fund in place and we are in the position to buy but it is about being disciplined. Each sector is at a different level.

'Some may think it is a good time to start buying but [West End](#) offices are very different to industrial in the north-west, for instance, so each opportunity will be different.

'Who knows when we will spend it. It could be 2008, 2009 or 2010.

It is purely opportunistic. We are looking at income-producing assets – offices, retail and industrial.

'We will also look at residential sites and residential land banks to hold as investments. In a few years, if you are patient, residential, especially in [London](#), will come back with a vengeance.'

Frogmore has added eight staff, some in its finance and asset management teams, in the last year in anticipation of the new fund.

White said fundraising was tougher in the current market, but added: 'This time round was a bit more enjoyable, as we knew the people we were approaching. We could talk about the first fund, what we had done and our track record.

'Investors, of course, were more cautious in this current climate and it would have been very hard as a first-time fund. The relationships we had made the difference.'

The first fund, Frogmore Real Estate Partners, was Frogmore's first venture into property fund management and is nearly fully invested. Its last purchase was the 300,000 sq ft Altrincham Business Park in south [Manchester](#) for £29m from [Schroder](#) Exempt Property Unit Trust in January.

Frogmore's is the latest opportunity fund to be set up to invest in property as values have fallen. Resolution has raised a £1bn fund, and Mountgrange, Raymond Mould and Patrick Vaughan's listed London & Stamford Properties, and [Moorfield](#) have also raised money to invest in property in the downturn.

