

# SPECIALIST PROPERTY INVESTMENT

Connecting People  
& Property, Perfectly.







# INTRODUCTION

The Knight Frank Specialist Property Investment team is the pre-eminent advisor in this exciting area of the market.

Our client base includes a range of both UK and overseas investors, developers and banks. We have the ability to provide our clients a unique insight into the individual sub markets into which they are investing by offering a joined up approach with our 'best in class' specialist property teams.

We have an excellent track record in both acquisitions and disposals providing bespoke tailored advice for each client requirement, be that 'off market' strategic approaches or 'on market' sales campaigns leveraging Knight Frank's global brand and international network. We have an excellent track record of providing strategic advice on the composition of investor's funds and the optimum timing for future acquisitions or disposals.

We, the team have in excess of 30 years' experience in the capital markets arena and continue to build on our success.



**Shaun Roy**

Partner, Head of Department

**E** [shaun.roy@knightfrank.com](mailto:shaun.roy@knightfrank.com)

**T** +44 20 7861 1222

**M** +44 7957 342 285





## 01

### HUB BY PREMIER INN, KINGS CROSS

**Client:** Legal & General

**Sector:** Hotels

**Activity:** Acquisition of the opportunity to forward fund a new hotel let to Premier Inn (UK) Ltd guaranteed by Whitbread Group Plc for 26 years. The hotel is subject to five yearly CPI linked rent reviews (0.0% collar and 4.0% cap).

**Value:** £84.50m

*“The Specialist Investment Team at Knight Frank provided comprehensive and sound advice on this complex asset from the outset. Their expertise was vital to the successful transaction; we look forward to working with them again in the future.”*

**Adam Kerr**

Head of Transactions, Legal & General  
Investment Management Real Assets





## 02

### GODIVA PLACE, COVENTRY

**Client:** Regents Godiva

**Sector:** Student

**Activity:** Disposal of a forward funded income strip opportunity comprising 769 student bedrooms let to Coventry University for 30 years. The rent is subject to three yearly RPI linked rent reviews (1.0% collar and 3.5% cap). The tenant has the right to acquire the freehold for £1 at expiry of the lease.

**Value:** £74.49m



## 03

### LARKLAND HOUSE, ASCOT

**Client:** AEW UK

**Sector:** Healthcare

**Activity:** Acquisition of the long leasehold interest in a 54 bedroom care home. The home is let to Care UK Community Partnerships Ltd with approximately 19 years unexpired. The rent is subject to annual RPI linked rent reviews (0.0% collar and 4.0% cap).

**Value:** £6.66m





## 04

### BOOKING PORTFOLIO

**Client:** Mansford  
**Sector:** Hotels  
**Activity:** Acquisition of a UK wide portfolio of 17 hotels with a total of 653 bedrooms all let to Travelodge Hotels Ltd with a WAULT of 22 years. The rent is subject to five yearly RPI linked rent reviews (uncapped).  
**Value:** £28.05m

## 05

### PROJECT CHARIOT, NCP PORTFOLIO

**Client:** Blackstone  
**Sector:** Car Park  
**Activity:** Disposal of the freehold (44) and leasehold (44) interests of 88 car parks totalling 31,736 spaces. The car parks are all let to NCP Ltd with a WAULT of 21.1 years. All leases are subject to annual rental uplifts either fixed at 3%, RPI (1.5% cap and 5.0% collar) or a mixture of the two on a 50:50 basis.  
**Value:** £500m





06  
TRAVELODGE BIRMINGHAM AND MANCHESTER

**Client:** Aberdeen Asset Management  
**Sector:** Hotels  
**Activity:** Sale of the freehold interests in two hotels totalling 192 bedrooms. The hotels are let to Travelodge Hotels Ltd with 23 and 20 years unexpired respectively. The rents are subject to five yearly RPIX linked rent reviews (uncapped). The retail unit in Birmingham is let to Tesco Stores Ltd.  
**Value:** £15.51m

*“Knight Frank’s Specialist Investment Team provided excellent advice on these unique assets from day one. They demonstrated their breadth of knowledge across both the occupational and investment piece supporting another successful investment transaction.”*

**James Dunne**  
Senior Transactions Manager, Aberdeen Asset Management





## 07

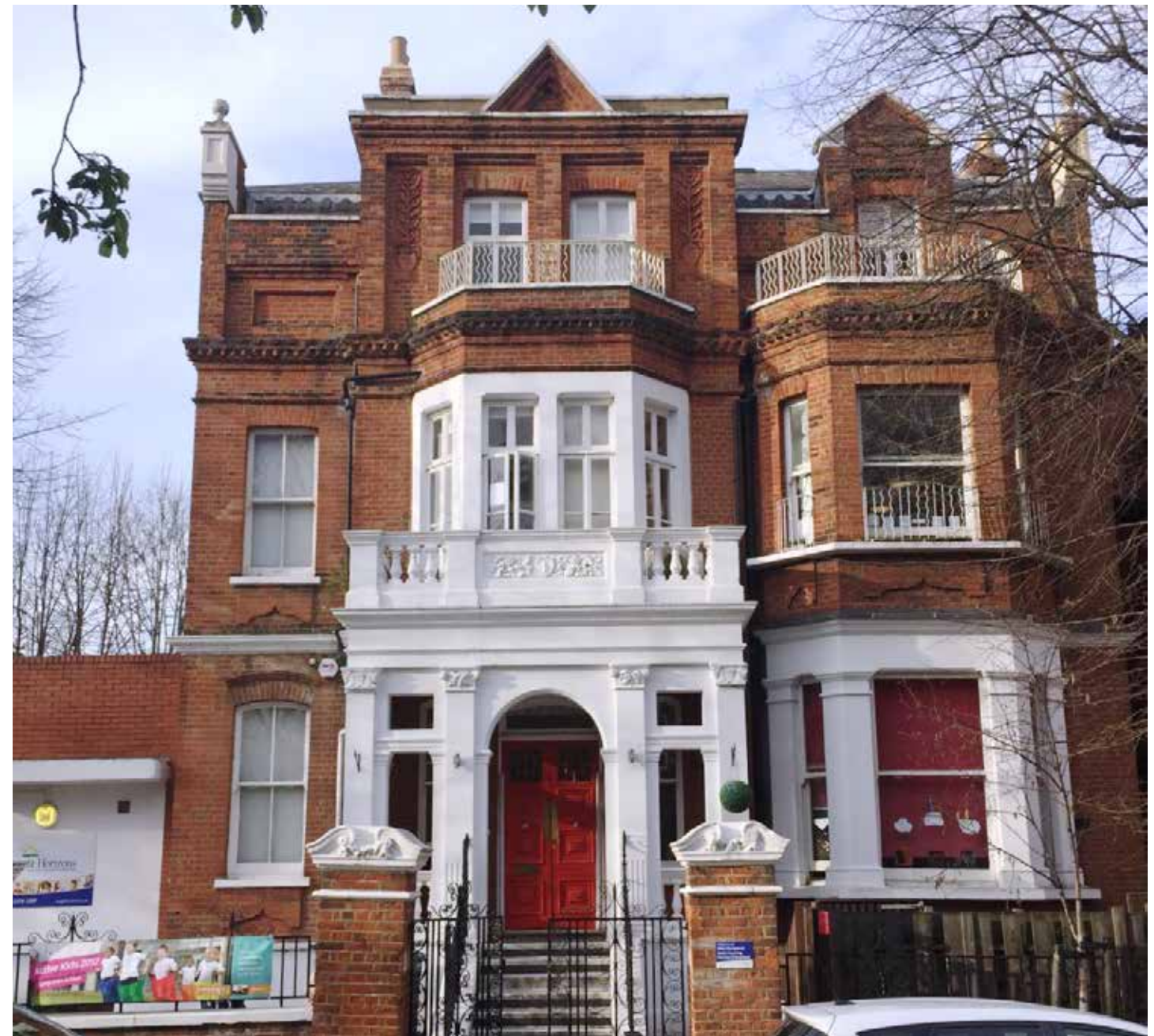
### BMW TRING, HERTFORDSHIRE

**Client:** Lightstone Properties

**Sector:** Automotive

**Activity:** Disposal of the freehold interest in a modern car showroom located in Hertfordshire. The showroom is let to Specialist Car's Ltd, with 19 years unexpired. The rent is subject to annual RPI linked rent reviews (2.0% collar and 4.0% cap).

**Value:** £7.62m



## 08

### 88 COMPAYNE GARDENS, WEST HAMPSTEAD

**Client:** Private Investor

**Sector:** Educational

**Activity:** Disposal of the freehold interest in a children's nursery in West Hampstead. The nursery is let to Active Learning Childcare (Guernsey) Ltd guaranteed by BHFS Ltd with 11 years unexpired. The rent is subject to five yearly rent reviews to the greater of OMV, 3% p.a. compounded or RPI (uncapped).

**Value:** £6.175m





## 09

### MANHATTAN LOFT GARDENS, STRATFORD

**Client:** Manhattan Loft Gardens

**Sector:** Hotels

**Activity:** Disposal of a 150 year ground lease on a 145 bedroom hotel. The hotel is let to Manhattan Loft Gardens Hotels for a term of 30 years. The ground rent is subject to annual RPI linked rent reviews (1.0% collar and 4.0% cap). The ground lease rent was set at 15% of stabilised EBITDA.

**Value:** £18.24m



## 10

### VIRGIN ACTIVE WANDSWORTH, LONDON

**Client:** Orchard Street Investment Management

**Sector:** Health & Fitness

**Activity:** Acquisition of the long leasehold interest in a 39,667 sq ft health & fitness club. The property is let to Virgin Active Ltd guaranteed by Virgin Active Holdings Ltd & Virgin Active Group Ltd with 19.8 years unexpired. The rent is subject to one RPI linked rent review (1.0% cap and 3.0% collar); with open market reviews every five years thereafter.

**Value:** £12.95m





## 11

### PREMIER INN, WEMBLEY PARK, WEMBLEY

**Client:** Quintain

**Sector:** Hotels

**Activity:** Disposal of a forward funding opportunity comprising a new 312 bedroom hotel let to Premier Inn (UK) Ltd guaranteed by Whitbread Group Plc for 25 years. The rent is subject to five yearly CPI linked rent reviews (0.0% collar and 4.0% cap).

**Value:** £42.00m

*"We were pleased to work with Knight Frank on this disposal due to their strong track record with Premier Inn and fundings. They were able to generate several bids from good parties in a difficult economic climate which allowed us to proceed with the development."*

**Rajesh Shah**

Corporate Finance Director, Quintain



## 12

### ST MARTIN'S GRANGE, GILLINGHAM, DORSET

**Client:** BlackRock

**Sector:** Healthcare

**Activity:** Acquisition of the freehold interest in a 76 bedroom care home. The home is let to Care South with approximately 35 years unexpired. The rent is subject to annual CPI linked rent reviews (0.0% collar and 4.0% cap).

**Value:** £7.22m





## 13

### TRAVELODGE, SIDCUP

**Client:** Knight Frank Investment Management

**Sector:** Hotels & Retail

**Activity:** Acquisition of the freehold interest in an 84 bedroom hotel.

The hotel is let to Travelodge Hotels Ltd with 21 years unexpired.

The rent is subject to five yearly RPI linked rent reviews (uncapped).

The three retail units are let to: Post Office Ltd, The John Lewis Partnership (Waitrose) and London Borough of Bexley.

**Value:** £10.00m

*"We have worked with Knight Frank's Specialist Investment team whilst reviewing a number of assets for our Long Income Property Unit Trust. They continually provide excellent and honest advice and we look forward to working with them more in the future."*

**Matthew McDonald**

Fund Manager, Knight Frank Investment Management



## 14

### ARUNDEL GATE, SHEFFIELD

**Client:** Mayer (Arundel Gate)

**Sector:** Car Park & Leisure

**Activity:** Disposal of the freehold interest of a 672 space multi-storey car park and leisure facility. The property is let to a mix of tenants with a WAULT of 42.9 years (39.8 to breaks). The car park is let to NCP Ltd accounting for 62% of the property's income; the rent is subject to annual 2.5% fixed rental increases.

**Value:** £21.30m





# 15

## BRISTOL MHA

**Client:** LaSalle Investment Management

**Sector:** Healthcare

**Activity:** Acquisition of the freehold interest in a 75 bedroom care home. The home is let to Methodist Homes, with 31 years unexpired. The rent is subject to annual RPI linked rent reviews (2.5% collar and 5.0% cap).

**Value:** £15.30m



# 16

## Z HOTEL, PICCADILLY, LONDON

**Client:** Aprirose

**Sector:** Hotels

**Activity:** Disposal of the freehold interest in a 112 bedroom hotel. The hotel is let to Z Hotels Ltd with approximately 44 years unexpired. The rent is subject to annual RPI linked rent reviews (2.0% collar and 5.0% cap).

**Value:** £46.00m

*“Knight Frank has assisted us in identifying key market trends and acquisition opportunities. We have transacted in excess of £1billion in 30 deals with the team and have an excellent working relationship with them.”*

**Manish Gudka**

Managing Director, Aprirose



# OUR PEOPLE

The Knight Frank Specialist Property Investment team is supported by our professional and agency teams who are all market leaders in their field. In addition, we regularly join forces and collaborate with our wider UK regional network and overseas presence. Combine this with our personal, impartial advice, we believe the service we provide is unrivalled.

Knight Frank has positioned itself at the forefront of the specialist property market, having identified these sectors as one of the most significant areas of growth over a decade ago.

Our Specialist Property Group cover Investment, Automotive Property, Energy, Hotels, Healthcare, Institutional Consultancy and Student Property to provide a full menu of expert knowledge including business valuations, transactions, sale & leaseback, development, landlord & tenant and research on every type of asset and registration type within the relevant sectors.

Knight Frank’s unique selling point is that we fully appreciate the business nuances and act for the majority of the UK’s operators, lenders, funds, institutions, property companies and developers.

We are passionate about our sectors and are resolutely focused on providing a best in class service to our clients. Our team consistently adds value by drawing on the significant resources available through our national network of industry specialists.



**Shaun Roy**  
Partner, Head of Department  
**E** shaun.roy@knightfrank.com  
**T** +44 20 7861 1222  
**M** +44 7957 342 285



**Charlie Fletcher**  
Partner  
**E** charles.fletcher@knightfrank.com  
**T** +44 20 7861 1450  
**M** +44 7838 575 063



**Huw Holman**  
Senior Surveyor  
**E** huw.holman@knightfrank.com  
**T** +44 20 3909 6806  
**M** +44 7583 041 688



**Sam Farquharson**  
Senior Surveyor  
**E** sam.farquharson@knightfrank.com  
**T** +44 20 7861 1143  
**M** +44 7918 561 601



**Hector Ahern**  
Surveyor  
**E** hector.ahern@knightfrank.com  
**T** +44 20 7861 1749  
**M** +44 7976 577 214

# OUR SPECIALIST TEAM



**HEAD OF SPECIALIST PROPERTIES & PROFESSIONAL SERVICES**  
**Rupert Johnson**  
Partner, Head of Department  
**E** rupert.johnson@knightfrank.com  
**T** +44 20 7861 1284



**SPECIALIST PROPERTY INVESTMENT**  
**Shaun Roy**  
**E** shaun.roy@knightfrank.com  
**T** +44 20 7861 1222



**AUTOMOTIVE PROPERTY**  
**Adam Chapman**  
**E** adam.chapman@knightfrank.com  
**T** +44 121 233 6426



**GARDEN CENTRES**  
**Richard Walters**  
**E** richard.walters@knightfrank.com  
**T** +44 29 2044 0123



**HEALTHCARE & HOTELS**  
**Julian Evans**  
Partner, Head of Department  
**E** julian.evans@knightfrank.com  
**T** +44 20 7861 1147



**INSTITUTIONAL PROPERTY**  
**Emma Cleugh**  
**E** emma.cleugh@knightfrank.com  
**T** +44 20 7861 5427



**MARINAS**  
**Hazel Morris**  
**E** hazel.morris@knightfrank.com  
**T** +44 20 7861 1296



**RESIDENTIAL CAPITAL MARKETS**  
**James Mannix**  
**E** james.mannix@knightfrank.com  
**T** +44 20 7861 5412



**STUDENT PROPERTY**  
**James Pullan**  
**E** james.pullan@knightfrank.com  
**T** +44 20 7861 5422



**SUSTAINABILITY & ENERGY CONSULTANCY**  
**David Goatman**  
**E** david.goatman@knightfrank.com  
**T** +44 20 7861 5109



---

#### IMPORTANT NOTICE

© Knight Frank LLP 2016 – This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information, analysis, views and projections presented in this report, no responsibility or liability whatsoever can be accepted by Knight Frank LLP and Newmark Grubb Knight Frank for any loss or damage resultant from any use of, reliance on or reference to the contents of this document. As a general report, this material does not necessarily represent the view of Knight Frank LLP and Newmark Grubb Knight Frank in relation to particular properties or projects. Reproduction of this report in whole or in part is not allowed without prior written approval of Knight Frank LLP and Newmark Grubb Knight Frank to the form and content within which it appears. Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934. Our registered office is 55 Baker Street, London, W1U 8AN, where you may look at a list of members' names. This report was researched and written during the period May to mid-August 2016, based on evidence and data available to Knight Frank LLP and Newmark Grubb Knight Frank at the time. Rents quoted in the reports are in US dollars, but growth rates are in local currencies to remove exchange rate effects. Americas rents quoted in this report are prime average asking rents, whereas rents in other geographies are quoted normal prime achieved. Forecasting is an inherently uncertain activity and subject to unforeseeable changes in the external environment, and we note the particularly high level of geopolitical, financial market, and economic risks facing the global economy at the time of publication. These present downside risks to the forecasts in this report.