

INVESTMENT MARKET DASHBOARD

INVESTMENT VOLUMES YTD

£1.00bn



INVESTMENT VOLUMES Q2

£541m



INVESTOR SENTIMENT



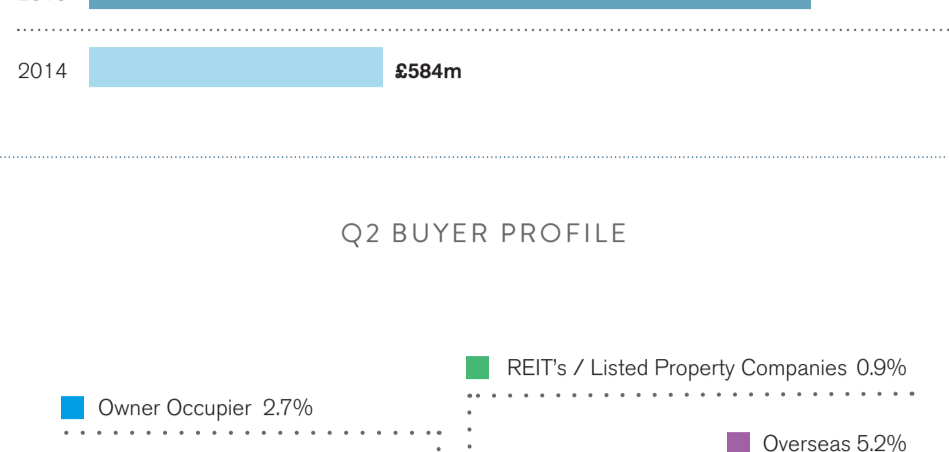
PRIME YIELDS

5.25%



Trending: Stable

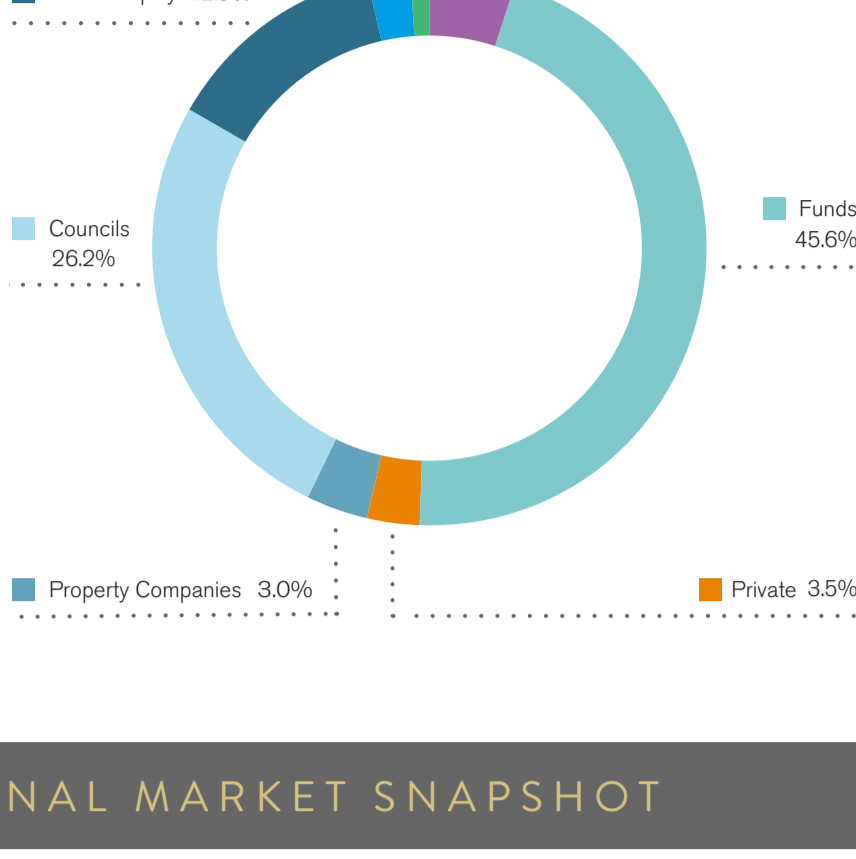
INVESTMENT VOLUMES Q2 VS PREVIOUS YEARS



INVESTOR DEMAND CBD VS OUT OF TOWN



Q2 BUYER PROFILE



INVESTMENT SUPPLY LEVELS



OCCUPATIONAL MARKET SNAPSHOT

HEADLINE RENTS



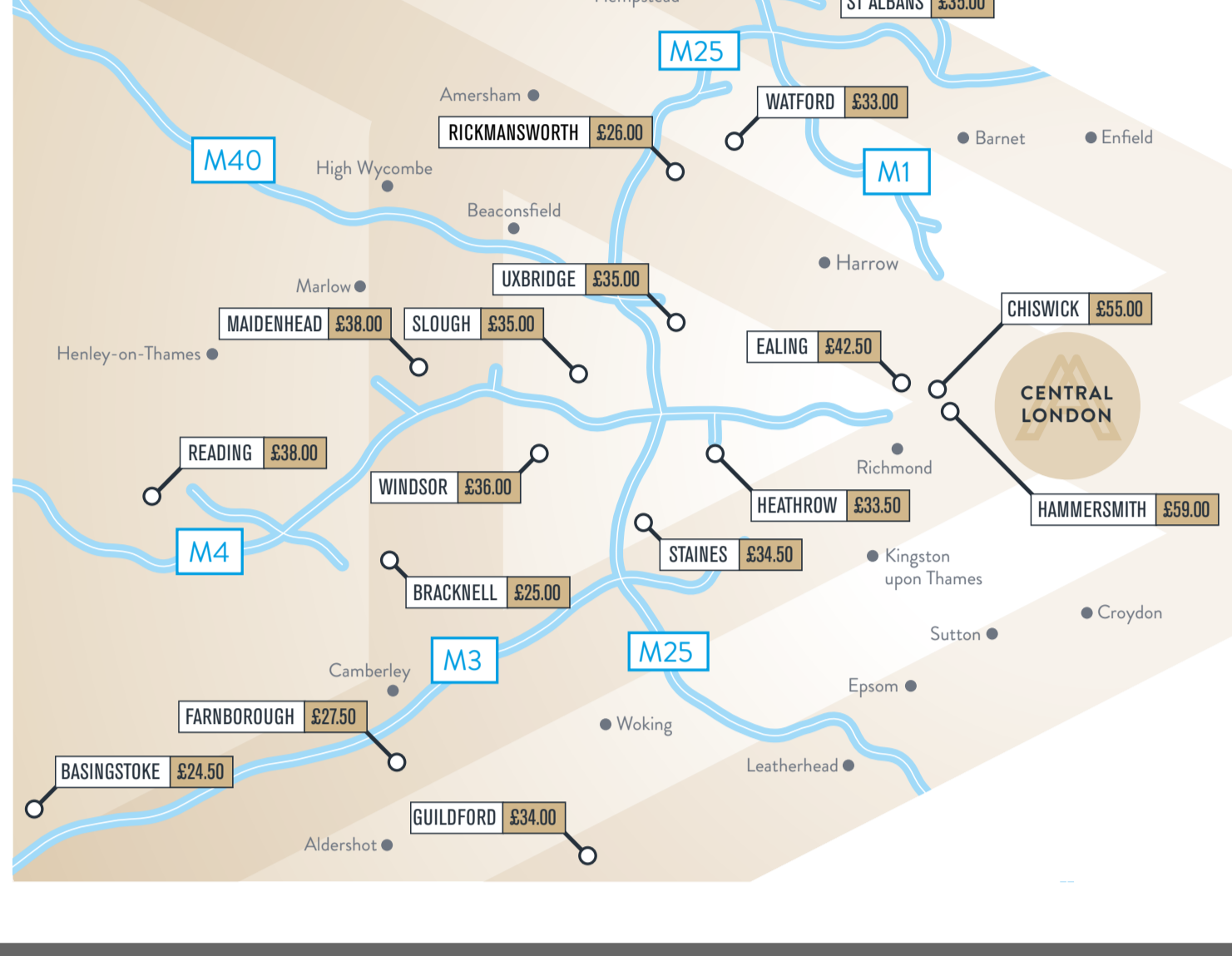
INCENTIVES



VOIDS



RENTAL MAP



ACRE CAPITAL COMMENTARY

- Q2 2018 was a subdued quarter, with investment volumes up on Q1 but 32% down on Q2 2017 and down on the 5-year Q2 average
- In terms of numbers of transactions, Q2 2018 was 46% down on Q2 2017 and 47% down on the 5-year average for Q2
- The above two stats. mean that Q2 2018 has been one of the quieter Q2's for the past 5 years, however this is in part due to unfortunate timing, as there is c. £525m of stock currently under offer, as well as a sizeable volume of stock being marketed, which should boost the Q3 investment volumes
- This quarter has been marked by the return of the Councils, lead by Runnymede Borough Council, who acquired Pine Trees, Staines and the VW Financial HQ in Milton Keynes for a combined £130.85m
- Institutional funds have remained active, carrying on the trend seen from Q1
- Private Equity Managers & Investment Managers continue to actively seek core + & value add stock but remain frustrated by the lack of opportunities
- We are seeing an increasing polarisation in the levels of interest achieved for assets coming to the market - either experiencing competitive bidding or little interest - which is reflective of investors' targeted requirements and rigid mindsets
- We believe that investment sentiment is lagging occupational sentiment - which is unusual - as typically investor sentiment is stronger

KEY INVESTMENT TRANSACTIONS & KEY INVESTMENT AVAILABILITY

KEY DEALS

PINE TREES, STAINES

DATE TRANACTED	JUN-18
PURCHASE PRICE	£80,700,000
NIY	C. 6.00%
CAP VAL (PSF)	£425
AREA (SQ FT)	C.190,000
TENANCY DETAILS	MULTI-LET
WAULT (YEARS)	UNKNOWN
PASSING RENT EPA (EPSF)	C. £5,171,256 (£27.21)
PURCHASER	RUNNYMEADE BOROUGH COUNCIL

CAMBRIDGE RESEARCH PARK

DATE TRANACTED	JUN-18
PURCHASE PRICE	£78,000,000
NIY	6.0% (ON INCOME)
CAP VAL (PSF)	£329
AREA (SQ FT)	237,000
TENANCY DETAILS	MULTI-LET
WAULT (YEARS)	5.6
PASSING RENT EPA (EPSF)	£4,910,926 (£20.72)
PURCHASER	ROYAL LONDON

STATION HILL, READING

DATE TRANACTED	JUN-18
PURCHASE PRICE	£70,000,000
NIY	£720M+
GDV	VP
AREA (SQ FT)	880,000 SQ FT (OFFICES) & 471 RESIDENTIAL UNITS
TENANCY DETAILS	VP
WAULT (YEARS)	VP
PASSING RENT EPA (EPSF)	VP
PURCHASER	LINCOLN PROPERTY COMPANY & MGT IM

THE WHITE BUILDING, READING

DATE TRANACTED	JUN-18
PURCHASE PRICE	£51,000,000
NIY	5.75%
CAP VAL (PSF)	£532
AREA (SQ FT)	95,895
TENANCY DETAILS	MULTI-LET
WAULT (YEARS)	5.0
PASSING RENT EPA (EPSF)	£3,131,910 (£32.67)
PURCHASER	ABERDEEN STANDARD

VW FINANCIAL HQ, MILTON KEYNES

DATE TRANACTED	JUN-18
PURCHASE PRICE	£50,150,000
NIY	4.78%
CAP VAL (PSF)	£495
AREA (SQ FT)	101,237
TENANCY DETAILS	VW FINANCIAL
WAULT (YEARS)	16.6
PASSING RENT EPA (EPSF)	£2,558,533 (£25.27)
PURCHASER	RUNNYMEADE BOROUGH COUNCIL

3 ARLINGTON SQUARE, BRACKNELL

DATE TRANACTED	MAY-18
PURCHASE PRICE	£22,650,000
NIY	6.30%
CAP VAL (PSF)	£336
AREA (SQ FT)	67,376
TENANCY DETAILS	MULTI-LET
WAULT (YEARS)	3.4
PASSING RENT EPA (EPSF)	£1,510,870 (£22.67)
PURCHASER	ORCHARD STREET

KEY AVAILABILITY

EQUINOX PORTFOLIO

DATE TO MARKET	MAY-18
QUOTING PRICE	£146,000,000
NIY	6.69%
CAP VAL (PSF)	£303
AREA (SQ FT)	482,642
TENANCY DETAILS	MULTI-LET
WAULT (YEARS)	5.8
PASSING RENT EPA (EPSF)	£10,425,194 (£21.57)
VENDOR	AEW

352 PORTFOLIO

DATE TO MARKET	JUN-18
QUOTING PRICE	£86,000,000
NIY	6.04%
CAP VAL (PSF)	£279
AREA (SQ FT)	308,328
TENANCY DETAILS	MULTI-LET
WAULT (YEARS)	3.2
PASSING RENT EPA (EPSF)	£5,544,322 (£23.65)
VENDOR	BMO

WESTSIDE, HEMEL HEMPSTEAD

DATE TO MARKET	APR-18
QUOTING PRICE	£63,300,000
NIY	6.50%
CAP VAL (PSF)	£333
AREA (SQ FT)	189,849
TENANCY DETAILS	MULTI-LET
WAULT (YEARS)	6.2
PASSING RENT EPA (EPSF)	£4,390,971 (£23.13)
VENDOR	TRISTAN CP & ALCHEMY AM

STRATA, STAINES

DATE TO MARKET	APR-18
QUOTING PRICE	£46,500,000
NIY	6.0%
CAP VAL (PSF)	£522
AREA (SQ FT)	76,823
TENANCY DETAILS	MULTI-LET
WAULT (YEARS)	7.00
PASSING RENT EPA (EPSF)	£2,968,084 (£34.16)
VENDOR	LASALLE INVESTMENT MANAGEMENT

CODA STUDIOS, FULHAM

DATE TO MARKET	JUN-18
QUOTING PRICE	£43,500,000
NIY	6.70%
CAP VAL (PSF)	£634
AREA (SQ FT)	68,950
TENANCY DETAILS	MULTI-LET
WAULT (YEARS)	1.9
PASSING RENT EPA (EPSF)	£3,111,766 (£40.00)
VENDOR	COLUMBIA THREADNEEDLE

TOR, MAIDENHEAD

DATE TO MARKET	JUN-18
QUOTING PRICE	£35,000,000
NIY	5.75%
CAP VAL (PSF)	£514
AREA (SQ FT)	68,065
TENANCY DETAILS	MULTI-LET
WAULT (YEARS)	8.9
PASSING RENT EPA (EPSF)	£2,150,000 (£31.60)
VENDOR	BLACKROCK

ACRE CAPITAL EXPECT

- Funds and Middle Eastern buyers account for a significant proportion of under offer deals and we expect their investment appetite to continue in Q3 and Q4
- Strong levels of investment demand for prime investment opportunities will continue
- The trend in new investors targeting secondary assets following the re-basing in pricing is now resulting in transactions taking place within this sub-sector
- There is increasing evidence of investors turning their attention to the office sector in the face of strong pricing and competition in the industrial market and deterioration in the retail markets

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PLEASE LOOK OUT FOR OUR NEW INDUSTRIAL MARKET SNAPSHOT'S STARTING FROM NEXT QUARTER!

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