

ARA EUROPE ADVISES STRAITS REAL ESTATE ON ACQUISITION OF GLOUCESTER BUSINESS PARK



United Kingdom, 05 July 2022 – The Straits Trading Company Limited (“Straits Trading”), a diversified investment company with interests in real estate, hospitality and resources, on 29 June 2022 announced that its subsidiary, Straits Real Estate Pte. Ltd. (“SRE”) was acquiring a portfolio of office and industrial buildings and several plots of development land (“the Portfolio”) in Gloucester Business Park for approximately GBP130 million. ARA Europe advised SRE on the transaction and will be retained as Asset & Development Manager.

Gloucester Business Park is one of the leading business parks in the UK and the dominant business park in Gloucestershire. Covering an area of over 276 acres, the business park has a strong mix of office, industrial and logistics properties that is supported by strong retail and commercial offerings. The plots being acquired represent the last remaining development plots within the park.

The business park is well connected to key transportation nodes with direct access from Junction 11A along the M5 Motorway linking Birmingham to the north, Bristol to the south, and London to the east via the A417 trunk line which leads to the M4 Motorway.

The Portfolio consists of approximately 522,000 square feet of net lettable area across nine properties, seven of which are offices (approximately 311,000 square feet) and two of which are industrial (approximately 211,000 square feet), and 19.1 acres of development land across six plots.

The existing properties are 100% occupied with the majority of its occupiers stemming from energy, cybertechnology, financial services, and healthcare sectors. With an attractive weighted average unexpired lease term of 8.1 years to break and 8.7 years to expiry, the tenant roster boasting a strong mix of credit tenants including EDF Energy, Ecclesiastical Insurance, GE Aviation, and Lockheed Martin provides solid recurring income over the coming years.

The development land includes five plots consented for industrial and logistics development and one small plot at the foot of the entrance targeted for retail use. The plots are well suited for logistics development given its strong connectivity along the M5 and continuing tailwinds from e-commerce growth. It is envisioned that the plots will support circa 310,000 square feet of modern, environmental-friendly industrial buildings once fully developed over the next 3 years.

Mr Roun Barry, CEO of ARA Europe said: “We are delighted to have advised SRE on their acquisition of Gloucester Business Park. In addition to the strong recurring income, we are excited about the prospects of working with them to deliver their vision for the property, enhancing the already best-in-class business park in Gloucestershire through the delivery of over 300,000 square feet of high-quality distribution space in an undersupplied market. Gloucester Business Park represents ARA’s second acquisition working in partnership with SRE and follows the successful purchase of Bourne Business Park in 2020; we are actively seeking further opportunities on which to work with SRE again.”

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About ARA Europe

ARA Europe is a real estate investment manager, a subsidiary of ARA Asset Management Limited (“ARA”) which is part of the ESR Group (the “Group”), APAC’s largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With over USD140.2 billion in total assets under management (AUM), the Group’s fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. It provides a diverse range of real asset investment solutions and New Economy real estate development opportunities across its private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. ESR is the largest sponsor and manager of REITs in APAC with a total AUM of USD45 billion. Its purpose – Space and Investment Solutions for a Sustainable Future – drives it to manage sustainably and impactfully and it considers the environment and the communities in which it operates as key stakeholders of its business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index.

More information is available at www.ara-group.com, www.esr.com