

ESR Europe Closes £32.4m Loan for Self-Storage Owner Storebox



LONDON, 19 July 2024 - ESR Europe, the European platform of ESR Group, has closed a £32.4m commercial real estate loan to Storebox Self Storage, part of Spectrum Storage Group, to refinance the company's existing loans and to facilitate the acquisition of the MyLockup self-storage portfolio. Post acquisition, the combined portfolio will consist of 29 self-storage assets across England and Ireland, providing a scaled and diverse portfolio poised to capture growth across the self-storage market. Storebox was advised by the JLL Debt and Structured Finance Team.

Spectrum Storage Group was formed in June 2024 by the merger of Storebox and LOVESPACE. Founded in 2011, Storebox established itself as a leading drive-up storage provider, operating 16 sites across the UK and Ireland. Storebox's merger with LOVESPACE, the UK's leading provider of storage with collection, created Spectrum Storage Group. The addition of MyLockUp to the Spectrum portfolio will create the 7th largest self-storage operator in the UK, boasting a multi-channel, national offering powered by proprietary technology.

The transaction demonstrates ESR Europe's ability to identify strong business plans in alternative real estate sectors, and is the third self-storage loan funded by the platform. The deal is the fourteenth loan funded by ESR's Debt Fund II, adding to a robust portfolio that has delivered excellent returns to investors despite the challenges of market volatility over the past two years. The loan is the ninety-fourth loan written in the eleven-year history of the ESR Europe Debt Investments team.

George Cotterell, Managing Director, Debt Investments at ESR Europe, commented: "This acquisition loan delivers strong diversified income from day one through exposure to a growing and resilient alternative real estate sector. We are delighted to work with the impressive Storebox team to facilitate a milestone acquisition for their business."

Beatrice Dupont, Co-Head of Debt Investments at ESR Europe, added: "The retrenchment of traditional real estate lenders means we continue to see a strong pipeline of high-quality credit opportunities for our funds. We are pleased to add the Storebox loan to our portfolio and look forward to executing new deals."

Nick Crawford, Co-CEO of Oakglen, Spectrum's lead shareholder commented: "We are pleased to have closed this financing with ESR to support the continued growth of Spectrum Storage Group. We have been impressed by the ESR team's ability to underwrite and execute on a multi-jurisdictional portfolio of operational assets and look forward to working with them to execute on our ambitious business plan."

Surendra Ragunather, CEO of Storebox, added: "The MyLockup transaction is transformational for us. It extends our reach to the Northeast by adding 10 established indoor facilities, a development pipeline, great people, and creating a national footprint. Together with Lovespace's logistics and tech capabilities, we will be extending our product range and service offering to our customers."

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About ESR Europe

ESR Europe is the European platform of ESR Group, a global real estate investment manager with a leading position in New Economy in Asia-Pacific. ESR Europe operates across the UK and Western Europe, bringing over 30 years of real estate investment and asset management experience delivered by a highly skilled in-house team. Our vehicles include public markets, equity and credit discretionary funds, joint ventures and separate accounts. From the spaces we create to the services we offer, we work alongside you to create space and investment solutions for a sustainable future.

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ABOUT SPECTRUM STORAGE GROUP

Spectrum Storage Group is dedicated to becoming the UK's largest omnichannel storage operator and technology platform. Our comprehensive offering includes traditional self-storage, collection and delivery services, and a diverse range of brands like Storebox and LOVESPACE. Serving various locations from urban to suburban across the UK and Ireland, we cater to a wide range of customers, from individuals and small businesses to national accounts, at every life stage from students to pensioners.

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