



News release: 12 July 2013

ABSTRACT COMPLETES SALE OF RENAISSANCE TO M&G REAL ESTATE

Mark Glatman's Abstract Securities has announced that its wholly owned subsidiary, Abstract (Croydon) Limited, has completed the sale of its speculative Renaissance office development in Dingwall Road, Croydon to M&G Real Estate, three months ahead of completion.

This news comes soon after the announcement that The Board of the Pension Protection Fund has contracted to pre-let approximately 40% of the building.

Renaissance provides 100,000 sq. ft. of 'Grade A' office space comprising five floors offering flexible floorplates of 20,000 sq. ft. Work commenced in June 2012 with practical completion scheduled for November 2013. The building is one of the first speculative builds in the UK to target a BREEAM (2011) 'Excellent' standard.

With rents from £22 per sq ft, the office development provides one of the most competitive 'Grade A' office buildings in the South East. Abstract's Development Director, Christopher McPherson, said: "We have strong levels of interest in the remaining space and we do not envisage it will be long before announcements are made regarding more occupier commitments. It is not a surprise that we have seen institutional interest in this product. Croydon is turning the corner as a credible business location - the transport infrastructure is second to none and significant planned investment in the Town will be transformational. The rental growth prospects for a brand new building of this quality so close to central London are very persuasive."

Abstract will continue to retain marketing responsibility for the remaining space in the development for the immediate future.

The building is the first of several speculative office developments that Abstract Securities intends to undertake across the UK.

Abstract are currently on site in Glasgow where it is speculatively building 170,000 sq ft of 'Grade A' office space, priced at just £23 per sq. ft. (a significant discount to local headline rents). The Glasgow scheme, St Vincent Plaza, is one of the largest speculative developments in the UK.

Mark Glatman, Chief Executive of Abstract Securities, said: "We are delighted that M&G Real Estate have acquired our development and supported our confidence in this product and location. We continue to maintain that while quality and environmental performance remain key drivers for corporate occupiers, value for money is fundamental. By exercising tight design and procurement processes – especially in the purchase of land at the lowest point in the development cycle – we have been able to bring both our Croydon and Glasgow developments to the market at exceptional rental costs".

Knight Frank represented Abstract in the sale. Colliers International represented M & G Real Estate. Knight Frank and Sinclair Clark are retained in a letting capacity.

-Ends-

For media information, please contact Lisa Mennie at Skylark PR:

T: 07825 225 414 / lisa@skylarkpublicrelations.com

Editor's note:

Established in April 2000 by Mark Glatman, the Abstract Group of Companies specialises in commercial property investment, development and venture capital financing. The management team at Abstract brings together combined experience of over 6 million sq ft of business space development across the UK and Europe. The team is highly experienced at working directly with major property owners and corporate end users, handling all aspects of their property requirements.

For more information visit: www.renaissancecroydon.com

About M&G Real Estate:

M&G Real Estate is the real estate fund management arm of M&G and is one of the top 25 real estate fund managers in the world by assets under management, with over £16 billion invested in a broad spread of properties across Europe, North America and the Asia Pacific region (as of 31 March 2013). M&G is the investment arm of Prudential Plc in the UK and Europe.

For more information, visit: www.mandgrealestate.com

Abstract attracts M&G with Croydon 'austerity' spec

■ Institution pays more than £30m for 100,000 sq ft block after preletting 40% of the scheme

BY NICK JOHNSTONE

Abstract Securities has sold an office scheme in Croydon to a UK institution just more than a year after starting to develop it speculatively.

Mark Glatman's development company has completed the sale of Renaissance on Dingwall Road, Croydon, to M&G Real Estate.

The sale comes three months ahead of completion and two weeks after the Board of the Pension Protection Fund released 40% of the 100,000 sq ft property (pictured).

M&G is believed to have paid more than £30m, but Abstract will retain responsibility for letting the remainder of the property, as part of its



"austerity offices" concept, which aims to drive down occupancy costs and undercut local rents.

The off-market sale allows Abstract to free up some of the capital invested in the scheme ahead of completion, and is a

vindication of its decision to develop without prelets. If fully let at the guide rent of £23/sq ft, the yield would be around 6.25%.

Abstract development director Christopher McPherson said: "Croydon is turning the

corner as a credible business location. The transport infrastructure is second to none, and significant planned investment in the town will be transformational."

Property Week revealed in February that Jones Lang LaSalle had been appointed to seek development funding for a 150,000 sq ft office block at Stanhope and Schroders' 1m sq ft Ruskin Square scheme nearby.

Westfield and Hammerson are also proposing a giant redevelopment for the neighbouring Whitgift shopping centre.

The property is the first of several Abstract is developing speculatively across the UK. It is now on site in Glasgow, where

it is developing 170,000 sq ft of offices at St Vincent Plaza.

Mark Glatman, chief executive of Abstract Securities, said: "By exercising tight design and procurement processes – especially in the purchase of land at the lowest point in the development cycle – we have been able to bring both our Croydon and Glasgow developments to the market at exceptional rental costs.

"We are firmly disproving the notion that it is beneficial for firms to regear their leases and stay put on lease expiry."

Knight Frank represented Abstract in the sale. Knight Frank and Sinclair Clark are retained in a letting capacity.

■ **More north-west office news, p45**

M&G buys Abstract's Renaissance in South East office play

By Paul Norman - Friday, July 12, 2013 0:01

M&G Real Estate has completed a first two acquisitions – Abstract Securities' Renaissance office development in the centre of Croydon and a Guildford office block – for close to £50m in two separate deals for its recently launched UK property strategy for domestic and international institutional investors.



The Renaissance office development acquisition marks a quick exit for Mark Glatman's Abstract Securities after it bought the Dingwall Road site next to east Croydon station out of receivership in November 2011 and decided to push on with an 100,000 sq ft speculative development.

[CoStar News revealed in February](#) of this year that the Board of the Pension Protection Fund had prelet approximately 40% of the building and there are strong levels of interest in the remaining space, which is priced at rents from £22 per sq ft.

Abstract will continue to market the remaining space in the development which completes in three months time. Knight Frank and Sinclair Clark are letting agents.

Abstract's development director Christopher McPherson said: "We have strong levels of interest in the remaining space and we do not envisage it will be long before announcements are made regarding more occupier commitments.

"It is not a surprise that we have seen institutional interest in this product. Croydon is turning the corner as a credible business location - the transport infrastructure is second to none and significant planned investment in the Town will be transformational. The rental growth prospects for a brand new building of this quality so close to central London are very persuasive."

Colliers International represented M&G Real Estate. Knight Frank represented Abstract.

pnorman@costar.co.uk