

Middle Eastern investors acquire 150,000 sq ft office complex in South Wales

The biggest commercial office investment deal in Wales in the last year has been struck in an eight figure transaction for a 150,000 sq ft office campus in Newport.

In its first property deal in the UK, Middle Eastern family real estate firm Al Wazzan (AW Properties) has acquired the three office scheme currently occupied by aerospace giant Airbus at Celtic Springs Business Park in Newport.

The value of the off market deal has not been disclosed, but is understood to be worth around £26m. It provides an exit for UAE-based global alternative investment firm Gulf Islamic Investments Group (GII), which acquired the asset from developer Robert Hitchins in a £30m deal back in 2015.

The latest deal follows a successful regearing of the lease on a new fifteen-year term, enabling the tenant to consolidate and continue its tenure at the site.

Rawia Guedri, chief finance officer of Al Wazzan family office, said: "We are delighted that our debut commercial property acquisition in the UK involves a well-located office with strong fundamentals and income growth opportunities.

"The opportunity satisfies our investment criteria, offering numerous benefits including a long-term secure lease with fixed rental uplifts to a large global blue-chip occupier who has already committed capital to refurbish and further upgrade the building."

Pankaj Gupta, co-Founder and co-chief executive of GII, added: "Following recent lease regearing with the tenant, we managed

to enhance the certainty of long-term income significantly for this institutional quality asset in south Wales.

“This investment is testimony to GII’s stringent selection criteria and hands-on asset management, fostering above-average returns for its investors. Our tailored approach to each of our properties allowed us to secure an ‘off-market’ sale. GII’s in-depth analysis of each investment’s macro and micro market aspects allows us to unlock property potential that others might miss, ensuring top value for our clients and partners.”

Mohammed Alhassan, co-founder and co-chief executive of GII, said: “We are delighted to announce this exit, particularly after recent market uncertainty. We engaged GII’s best-in-class team to unlock value through a series of asset management initiatives, including financing and regearing. This demonstrates our ability to put our strategy into action. Managing and repositioning the asset successfully for long-term investors illustrates our capacity to create significant value and unlock our investments’ full potential.

“GII’s investor distributions now total almost \$600m, with an exit pipeline of some US\$200 million. We continue to grow our existing portfolio this year across Europe and beyond.”

Knight Frank advised AW Properties and Knight Frank Capital Advisory acted as the debt advisor to the buyer. Greenwoods was the solicitor acting on behalf of AW Properties.

Bird and Bird acted as UK legal counsel for the seller on the transaction’s corporate and real estate legal matters.

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