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PRESS RELEASE

DISPOSAL OF TRITAX INDUSTRIAL 2 FUND, ABERDEEN, FOR £5.6M TO UK INSTITUTIONAL FUND, REFLECTING AN IRR TO TRITAX INVESTORS OF APPROXIMATELY 16% PER ANNUM

Tritax, the market leading investment fund management house focused on acquiring and managing commercial property investments for private equity, today announces the successful sale of its Tritax Industrial 2 Fund in Aberdeen, to a UK based institutional fund for £5.595 million. The sale price reflects a net initial yield of 7.4%, reflecting an IRR of approximately 17% per annum and providing a return of 135% based on original equity.

The key rationale for Tritax for sponsoring and distributing the original investment in Aberdeen was to take advantage of the acute fall in commercial property values in the City since mid-2007, and the shortage of supply of small industrial units within Aberdeen, offering a projected total return to investors of 12.4% p.a. over five years. The original strategy was to hold the asset for five years, whilst values recovered and to progress asset management initiatives so as to improve lease profiles and tenant mix. However, the business plan has been delivered ahead of schedule producing significant outperformance. In addition, Tritax investors have received quarterly distributions of 7.25% per annum during the hold period.

The estate was fully let on purchase. However over the hold period, the Asset Manager (Cedarwood Asset Management Ltd) increased the rent passing on the estate by 26% from £350,000 pa to over £441,000 pa. This increase in rent achieved over 3½ years of ownership, combined with the improvement in market sentiment since purchase, have delivered excellent returns for Tritax investors.

The property comprises 11 units located in the Bridge of Don area, four miles to the north of Aberdeen. The investment was originally acquired for £4.2 million in September 2010, which reflected a net initial yield of 7.9%.

Bjorn Hobart, Partner at Tritax Group, said:

“Our strategy to focus on fast growing economic locations, such as Aberdeen, where active management and supply shortages generate above average rental growth and returns, has been successfully proven by the delivery of an IRR of approximately 16% per annum to our investors. The successful disposal of Tritax Industrial 2 Fund, Aberdeen is evidence of the team's ability to capture an attractive yield and take advantage of recent property market improvements.”

Paul Jenkins, Director at Cedarwood Asset Management commented:

“The Aberdeen market has been one of the only property markets to function properly over recent years with very good tenant demand and relatively little supply. Cedarwood's in depth knowledge and experience in the Aberdeen market was critical in the initial stock selection and identifying the rental growth prospects for the estate, despite the lacklustre occupational markets elsewhere in the UK at the time. Our asset management strategy to secure the rental growth increases worked as anticipated and helped to deliver superb returns for Tritax investors.”

Tritax were advised by SG Commercial and Rydens with the UK Fund being advised by Knight Frank.

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FOR FURTHER INFORMATION, PLEASE CONTACT:

Tritax Group
Bjorn Hobart

via Newgate Communications

Newgate Communications (PR)
James Benjamin
Willa Malcolm
Georgia Lewis

Tel: 020 7680 6550
Email: tritax@newgatecomms.com

NOTES TO EDITOR

Tritax is a market leader in packaging and promoting commercial property investments to private individuals via the IFA network. It is active in both the mainstream commercial property market and in the specialist area of tax efficient property investments. Tritax was formed in 1994 and specialises in originating, syndicating and managing commercial property investments for private equity capital and pension funds. The current portfolio includes 55 separate syndicates or Trusts owning c. 6.5 million sq. ft., including offices, industrial buildings and hotels, with a total initial purchase value of c. £1.5bn. In December 2013, Tritax successfully launched Tritax Big Box REIT plc on the specialist fund market of the London Stock Exchange raising £200m for investment in large distribution warehouses (www.tritax.co.uk).

Since 2000, the Tritax has delivered an average exit IRR across all its exited vehicles for its investors of over 19.0%. Over the same period, Tritax has delivered an average unlevered Net Initial Yield across all its investment vehicles of 7.4%.