

Asian capital backs launch of Savills IM contrarian UK retail park strategy

- **The fund seeks to raise £360m (\$500m) for UK retail park investment**
- **New strategy aims to take advantage of high yields and low vacancy**
- **Cornerstone investments secured from Asian capital**

12 October 2021, Savills Investment Management (Savills IM), the international real estate investment manager, has launched a UK retail park strategy to capitalise on the strong income-producing characteristics of the UK retail parks sector with a target capital raise of £360m (US\$500m).

Straits Real Estate, the real estate investment subsidiary of The Straits Trading Company (STC), and The Land Managers (TLM), the real estate investment division of the JL Family Office (JLFO), are cornerstone investors in the fund. STC is a Singapore-based conglomerate-investment company with diversified stakes in resources, property and hospitality. JLFO manages the private investments of Asia Pacific real estate veteran John Lim.

The fund seeks to exploit the mismatch between the strong operating performance of the value sub-sector of UK retail parks and their relatively high yields compared to other sectors. Falling retail property prices mean assets let to strong tenants can potentially be acquired at prices which reflect net operating income yields of 7-9%+.

The new vehicle will seek to acquire retail park assets with relatively low rents, preferring food anchors and discount retailer tenants, such as B&M, Home Bargains Food Warehouse, but also bulky operators such as DIY. This sub-sector has demonstrated resilience to the trend of online shopping, as sales largely consist of daily necessity and value-oriented items. This part of the market has proven to be appealing to in-store shopping, with the high take up of click and collect and low unit prices of goods making online and home delivery less viable.

The value retail parks sector offers, low rents, low vacancy rates of close to 5%, strong tenants and high dependable income.

The fund will leverage the research and broking capabilities of the dedicated retail park team at Savills IM's parent company Savills plc.

The fund will be managed by Harry de Ferry Foster, head of UK at Savills Investment Management, who also manages the award-winning Charities Property Fund, supported by director Danny Al Dilmi and team.

“The UK retail sector has had a torrid time over the last five years, particularly the high street and shopping centre sub sectors. This new fund is targeting assets in a sub sector which has been overlooked and oversold, but has proven its resilience to the headwinds facing the sector,” says de Ferry Foster. “This is a good opportunity to secure assets with a high and secure income yield and we believe it will be very attractive to investors.”

Andy Lim, Group CEO of JLFO and Founder of TLM, adds: “We are pleased to work with Savills IM in our first investment into the UK. The country is experiencing a rapid recovery and its growth is set to be the fastest in Europe. By investing in a defensive retail asset class, we hope to capitalise on the pent-up demand from the COVID-19 restrictions over the last couple of years.

“With over 30 years of track record in global real estate investments and extensive real-time knowledge of the UK market, Savills IM’s expertise will no doubt be invaluable to TLM. We look forward to more exciting partnerships, as we continue to grow our investments in both Singapore and overseas.”

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About Savills Investment Management

- Savills Investment Management is an international real estate investment manager with offices in Amsterdam, Frankfurt, Hamburg, Katowice, Kuala Lumpur (as part of a cooperation agreement with Savills Malaysia), London, Luxembourg, Madrid, Milan, Munich, Paris, Singapore, Stockholm, St. Helier, Sydney, Tokyo and Warsaw.
- As of 30 June 2021, Savills Investment Management managed total assets of EUR 24.3 billion.
- Savills Investment Management is the brand name used to represent Savills Investment Management LLP and its subsidiaries.
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- Savills Investment Management is regulated in the UK, Australia, Italy, Germany, Jersey, Japan, Luxembourg and Singapore.

About The Land Managers

PRESS RELEASE

- The Land Managers Holdings Pte. Ltd. (TLM) is an institutionally managed boutique real estate investment firm under the JL Family Office (JLFO), the investment holding group of companies founded by Asia Pacific real estate veteran, John Lim. Helmed by his son, Andy Lim, TLM forms the cornerstone of the JLFO real estate ecosystem, which strives to create long term value via strategic collaborations with other real estate players in the development and investment space.
- With an initial capital commitment of S\$250 million, TLM leverages its wide regional network and strong track record in real estate to invest in value-add and development opportunities in gateway cities globally, with a focus in Singapore, Greater China and Europe, across all asset classes.
- For more information, please visit <http://www.jlfo.com.sg/>.
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