

Finance

Llewelyn sets out Newcore values

■ Ex-Cornerstone man targets diverse asset classes

BY JAMES WHITMORE

Hugo Llewelyn (right) has left Cornerstone Real Estate Advisers, where he was head of investment in Europe, to set up a new style of property fund management company.

Llewelyn's Newcore Capital Management will invest institutional and family office capital in new types of "core" commercial real estate asset classes in the UK that he believes "have become 'investible' as a result of the economic, technological and demographic changes of recent times".

These properties include primary health care, social infrastructure, food and water-related assets, such as supermarkets, reservoirs and agriculture, and transport-linked assets, such as petrol and service stations. Such assets tend to have long-term,

secure and often inflation-linked income streams, which Llewelyn said makes them attractive to long-term investors.

Newcore's first client is Newcombe Estates, a UK family office property company, established in 1905. Newcore will undertake the investment and portfolio management of Newcombe's assets, which will include taking on the company's staff and offices in London's Westminster.

Newcombe's £25m portfolio comprises commercial, agricultural and forestry assets across the UK. Newcore's mandate will be to continue to invest this capital into secure and growing income streams that should also produce long-term capital growth, and to promote the agricultural land for higher value use.

Newcombe has also taken



a stake in Newcore in a deal that will provide working capital for the growth of the business.

The mandate

win coincides with the retirement of Tim Simon, former chairman of the commercial division of Savills, who has been managing director of Newcombe for the last 10 years.

In addition to managing Newcombe's assets, Newcore will launch its first fund, the NCM Real Returns Fund, targeting secure, inflation-linked assets in the UK.

Llewelyn will be co-investing the bulk of the capital that he made from the sale in 2010 of Protego Real Estate Investors to Cornerstone into the fund and will be seeking to raise £20m-£40m during 2012 from wealth management and family office investors.

Victory in CSC's sights

Capital Shopping Centres is poised to win the approval of shareholders today for two controversial purchases from its largest shareholder.

The shopping centre owner already has the consent of John Whittaker's Peel Group, which owns 20.8% of its shares, and the family and trusts of Sir Donald Gordon, which own 10.1%, for the purchases of a 31 acre site next to its Braehead shopping centre in Glasgow (pictured) and an option for development land in Malaga, Spain.

For the deals to win approval it only needs consent from 50.01% of shareholders.

The Association of British Insurers has questioned

the lack of an independent valuation of the land, and investor lobby group PIRC has advised shareholders to abstain from today's vote.

Simon Property Group owns 4% of CSC and intends to vote against what it dubs a "sweetheart deal".

CSC dismissed the criticism.

"Suggestions this is a sweetheart deal are complete nonsense," said chief executive David Fischel.

"This has been crawled over by lawyers, advisers, property experts. We have had board discussions in which John Whittaker has taken no part, we have done everything by the book and governance has been impeccable."

Town Centre Securities' solid results down to 'hard work', says Ziff

Town Centre Securities this week reported stable half-year figures and a refinancing of £90m of debt.

The Leeds-based investor's net asset value dropped slightly from 288p to 284p

a share in the second half of last year, following a £2.2m reduction in the value of its portfolio to £281.8m.

Key to the portfolio is the Merrion Centre in Leeds, where footfall increased

by 1% over the six months and the level of void space was reduced from 3.1% to 2.8%.

However, chairman and chief executive Edward Ziff said the centre had "never been more let". The rest of the

£282m portfolio comprises assets in Leeds, Manchester, Glasgow and Edinburgh.

A £90m revolving debt facility was refinanced with the Royal Bank of Scotland, Lloyds Banking

Group and Handelsbanken.

Underlying pretax profit dropped from £4.4m to £4m and the interim dividend has been held at 3.1p a share.

"It's just hard work," said Ziff.

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BNP Paribas Real Estate recruit

BNP Paribas Real Estate has appointed property fund manager Gerardine Davies as head of UK investment management.

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Bad start to new year for values

Prime property values fell by a further 0.2% in January, the latest IPD UK Monthly Index shows.

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Terrace Hill's resi sell-off

Terrace Hill has sold part of its residential business for £75m to Swedish housing company Akelius to pay down debt.

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