

Theme park owner raises £140m to help fund hotel buy

The property investment company that owns Alton Towers and Thorpe Park has raised £140m to help fund its purchase of 55 Travelodge hotels.

Secure Income REIT (SIR) said its placing of 46.9m shares was "heavily oversubscribed" at 298.6p per share, and the money raised will be used to part-fund the purchase of a £196.2m portfolio of 55 hotels spread across the country.

SIR invests in assets across a number of sectors and targets long-term income streams. It has amassed a £1.38bn portfolio of healthcare and leisure property.

In 2007, it bought four theme parks, including Alton Towers, from operator Merlin Entertainments, which continues to manage the attractions.

Martin Moore, independent non-executive chairman of the company, said the current economic environment meant investing in property was an attractive prospect: "The success of this placing is a clear reflection of the expected accretive impact that the acquisition of the Travelodge portfolio will have on both the company's growth prospects and its dividend payments, which the board believes are highly compelling attributes for investors in a low interest rate and low growth environment."

Newcore to launch its biggest specialist fund

The fund will aim to raise £50m of equity and will boost Newcore's deal size



BY GUY MONTAGUE-JONES

Alternatives specialist Newcore Capital Management is gearing up to launch its biggest fund to date.

Since it was founded in 2011 by Hugo Llewelyn, the former head of investment at Protego Real Estate Investors, the company has launched two funds with the latest one closing early this year with £25m of equity.

The next fund, Newcore Strategic Situations III, will be by far the largest yet with a target to raise £50m of equity, which would give it investment

firepower of about £100m with leverage. A first close of £25m is expected around the end of the year.

Unlike previous funds which have only targeted family offices and private investors, the new fund will be aimed at institutions as well.

The larger size of the fund will enable Newcore to increase its deal size with its sweet spot being in the £5m to £10m range.

However, the investment focus will remain the same. Newcore specialises in alternative sectors, investing in everything from nurseries through to oil depots and looks to add value

through planning, lease re-gears, refurbishment and development.

"Our strategy is to target assets that will be resistant to the deflationary effect of the internet," said Llewelyn. "That means social infrastructure, storage and accommodation."

One of the largest investments from the second fund was Copthall House in Sutton, which Newcore bought for £5.9m and on acquisition was three-quarters let to a dialysis unit and a tribunal service.

Newcore is looking to add value by re-gearing the leases and developing 35 flats in the vacant wing of the building.

In addition to its funds, Newcore has two segregated mandates giving it assets under management of around £110m. This figure will almost double once the new fund is fully invested.

However, Llewelyn said he was focused on returns rather than growth in assets under management and preferred to keep the business small in order to maintain flexibility when the market changes.

In the wake of the EU referendum, Llewelyn said he was confident that the commercial real estate market would remain robust, underpinned by the continued large gap between the cost of debt and property yields.

"We've had half-time oranges and we're into the second half," he said.

Electra Partners to cash in as Premier AM raises £63.7m from AIM listing

Premier Asset Management is set to raise £63.7m from a listing on the Alternative Investment Market (AIM) on Friday [7 October].

The listing means Electra Partners is set to cash in to the tune of £46m following the float.

The listing values the UK retail asset management group at £139.7m, lower than the £150m to £200m price tag expected when the group

announced its intention to float last month.

Premier AM placed 35.9m new and 12.4m existing shares at a price of 132p apiece, raising a gross £63.7m, of which £47.4m will go to the company.

Based on the offer price, Electra's investment in Premier has a value of £46m, an uplift of £13m or 39% on the valuation at 31 March, implying an increase in net

asset value per share of 26p.

Electra took Premier private in 2007, investing £33m in the £57m deal, before selling half of the company to the private investment firm of Premier's chairman Mike Vogel.

Existing shareholders will retain 54.4% of the company. This includes Queripel Partners, which will hold 33.2%, and Electra Partners, which will hold 8.1%.

