

Equites adds land for distribution centre to British portfolio

By [Alistair Anderson](#)

30 Oct 2017

Equites Property Fund, the high-end industrial property owner, has clinched another deal in the UK, acquiring land and the development rights for a distribution centre there.



Equites already owns four distribution centres in the UK worth about £104m. Through its Isle of Man-based wholly owned subsidiary, Equites International, the company will acquire a DHL distribution centre in Reading, England.

Equites would acquire 3.2ha of vacant land from Exton Estates Three for £9.7m (R175m). It also concluded a development and funding agreement with Exton Estates, in terms of which Equites International would fund the development of a 9,325m² “last-mile” distribution warehouse to be let to DHL International for an amount up to £15.9m (R286.38m).

The transaction was consistent with Equites’ growth and investment strategy of diversification into the UK in order to mitigate the risks of its South African focus and access the advanced know-how and technology in respect of logistics facilities in the UK, Equites CEO Andrea Taverna-Turisan said.

“We are focusing on premium big-box distribution centres, let to investment grade tenants on long-dated triple net leases, in proven logistics nodes and built to institutional specifications,” Taverna-Turisan said.

Reading is a major administrative, commercial and industrial town on the Thames about 20 minutes' drive from London.

The modern logistics facility will provide its tenant with a newly constructed, high specification, steel portal frame distribution warehouse with six dock-level loading doors, four on-grade and two double height dock-level doors and twostorey offices.

DHL, the UK subsidiary of the German logistics company Deutsche Post, has signed a 15-year fully repairing and insuring lease.

The lease will be subject to upward only rental review in years five and 10 linked to rental values on the open market.

The UK shift was low-risk and would feed off growing e-retail demand in England, said Len van Niekerk, senior property analyst at Nedbank. Equites was listed in June 2014 as one of a few specialist industrial property owners on the JSE.

Source: Business Day

For more, visit: <https://www.bizcommunity.com>