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Trio of acquisitions for REI

Bridget O'Connell

Real Estate Investors has exchanged contracts on a hat-trick of Midlands properties for a total of £13m.

The deals - which reflect an initial yield of 11.8% - produce £1.55m rent pa, boosting the West Midlands-based property group's annualised rent roll to £6.11m, a 50% increase since 1 January 2011.

The properties include the 53,000 sq ft Southgate retail park in Derby, which was bought for £4.8m from TAP Property, advised by Cheetham and Mortimer.

The other two properties were acquired from Aviva and include a 43,000 sq ft office known as Peat House at 1 Waterloo Way in Leicester for £4.4m, and a 27,000 sq ft retail and office building called Gateway House in Birmingham.

Paul Bassi, chief executive of REI, said: "These properties are prime, high-quality, ex-institutional assets that provide good rental income and significant scope for asset management initiatives that will enhance capital values.

"These new acquisitions take the value of our portfolio to in excess of £75m and, with existing cash and bank facilities, we remain on track to achieve a portfolio of £100m within the next six to 12 months."

Jones Lang LaSalle advised Aviva.