

Property group on a £13m spending spree

Birmingham property group Real Estate Investors - headed by Stourbridge tycoon Paul Bassi - has launched a £13 million raid to snap up a hat trick of Midland properties.

REI, listed on the stock market, has exchanged contracts to buy three properties for a total of £13.05 million.

In Birmingham REI has acquired Gateway House at 50-53 High Street for £3.85 million from Aviva.

The 27,071 sq ft retail and office building next to Marks & Spencer and near to the Bullring shopping centre produces £623,398 per annum from tenants including Arcadia, Randall and Heart of England Training, National Shelter and Brightsun.

Report by Peter Carroll

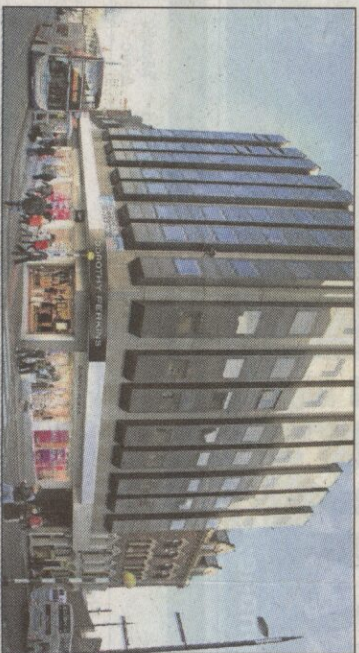
REI has also purchased Southgate Retail Park, Derby, for £4.8 million from TAP Property.

Tenants of the 53,202 sq ft, eight unit retail park include Lidl, Gym 4 All, Dreams and Deeley Properties on a rent roll currently producing £412,074 per annum.

In Leicester, REI is paying Aviva £4.4 million for Peat House, 1 Waterloo Way, Leicester a prime city centre five floor office building totalling 43,437 sq ft let to KPMG at £510,225 on a lease to June 2015.

The three properties increase the company's total annualised rent roll to £6.11 million, a 50 per cent increase since January 1, 2011.

Paul Bassi, chief executive of REI, said: "These properties are prime, high quality ex-institu-



Gateway House in Birmingham, bought by REI for £3.85 million and bank facilities, we remain on track to achieve £100 million ownership within the next 6-12 months."

In Birmingham, Aviva were represented by Jones Lang Lasalle, in Derby Cheekham and Mortimer acted for TAP Property.

erty, and Jones Lang Lasalle also represented Aviva in Leicester. Earlier this summer Real Estate Investors raised up to another £15 million from City investors.

At the same time Mr Bassi revealed the company was also considering opting for Real Estate Investment Trust (REIT) status.

The fresh investment raises the company's market capitalisation to nearly £45million, with a portfolio of property valued at nearly £60 million.

The institutional investors were hoping to capitalise on opportunities in the property market at cyclical low prices.

REI has already secured a number of landmark properties within its portfolio, including sites in Birmingham's Colmore Row and Latitude in the Chinese Quarter.