

REI restocks war chest for 2012

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Birmingham-based property group Real Estate Investors plc has agreed a £20 million revolving credit facility with Lloyds Banking Group, leaving it set fair to take advantage in the New Year.

The facility runs until October 2014, on terms similar to its previous one.

Chief executive Paul Bassi said: “We receive excellent support from our banks and we remain well positioned to capitalise on further market opportunities. Despite the negative economic backdrop, our rental income and tenant mix remains secure and stable and we remain optimistic for 2012.”

Richard Round, Relationship Director of Corporate Real Estate at Lloyds Bank Corporate Markets in Birmingham said: “Lloyds is delighted to extend its support to REI which is testimony to our longstanding relationship with management. We hope that the facility will provide a good platform for the continued growth of REI’s West Midlands’ portfolio.”

The announcement rounds off a busy year for REI which in September announced it had spent £13 million acquiring three Midland properties in Birmingham, Derby and Leicester.

The spate of deals saw REI purchase Gateway House at 50-53 High Street, Birmingham, for £3.850 million from Aviva, a 27,071 sq ft retail and office building next to Marks & Spencer and near to the Bull Ring shopping centre producing £623,398 per annum from tenants including Arcadia, Randstad and Heart of England Training, National Shelter and Brightsun.

REI also bought 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 paid 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 quoted investment vehicle has also announced that contracted rental income at the end of December 2011 will be more than £6 million per annum.

Mr Bassi said: “In addition, we have a number of significant lettings that will further enhance REI’s rental income in 2012.”

REI has also exchanged contracts to sell an investment property in Chingford, Essex, let to Teso plc, for £960,000 – a substantial surplus over the current book value of the property.

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