

15 May, 2013.

## **NEWCASTLE CALLING**

The London based property company, The Santon Group, have simultaneously exchanged and completed the purchase of a three storey, 31,243 sq ft (2,902 sq m) Grade A office building at Quorum Business Park, from a consortium of Investors for a price in the region of £3.5m. The building is fully let to Fabricom Offshore Services Limited, providers of engineering services to the North Sea oil industry, a subsidiary of the Euro 2 Billion GDF Suez Energy Services International division which has guaranteed the rent.



*The Q8 Building, Quorum Business Park, Newcastle*

The lease has 8.5 years left and the purchase price represents an initial net yield of over 14% based on the existing income. The building comes with 96 car parking spaces. The acquisition was funded from internal resources and did not rely on bank funding.



The acquisition adds to the Santon Group's growing office investment portfolio. The Santon Group purchased its own multi-let 18,000 sq ft Head Office building in Ealing at the end of last year and this was also funded from internal resources. Tenants include HSBC's West London Corporate office, Insightsoftware.com and William Sturges LLP. The purchase was made on the back of Ealing's underlying strength as a commercial location in West London, which will continue to be underpinned by the forthcoming major redevelopments of the Arcadia Centre (by Benson Elliot), the Ealing Cinema site (by Land Securities) and Villiers House adjoining Ealing Broadway station. In addition, the expansion of the Broadway station to accommodate Crossrail will also continue to strengthen Ealing as a significant West London hub as evidenced by British Land's recent acquisition of The Broadway Centre and the nearby development of the 700 unit £200m residential scheme being undertaken by St George/Berkeley Homes and the 20 storey 127 unit residential development being undertaken by Galliard Homes and Frogmore.

Commenting on the Fabricom purchase, The Santon Group's Chief Executive, Bim Sandhu, said "We are delighted to have secured this property on an attractive yield and let to a fast growing company supported by a substantial international parent. We have great confidence in Quorum Business Park as a location for occupiers and therefore investors. We were in a position to be able to complete the purchase of this building within a few weeks of our initial offer as we were not reliant on third party funding. We believe that the secondary office market has much to offer and we will continue to seek similar opportunities - high quality buildings, let on decent leases to tenants with strong covenants!".

Petrina Austin of Tritax, representing the consortium of investors said "We were very impressed by the speed and the no-nonsense approach adopted by The Santon Group in the acquisition process. They more than performed to the pre-agreed timescales set. We wish them every success with this investment."

CBRE and SG Commercial LLP acted for the vendor on the sale of Fabricom House and The Santon Group represented itself in the acquisition. Beacon Wood will be managing the property for Santon.



## **Media Queries:**

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## **About The Santon Group:**

The Santon Group is one of the largest private developers in the UK having carried out in excess of £1 Billion of developments in the last 10 years. The Group's expertise lies in the identification, planning and development of residential, commercial and mixed use properties. The Santon Group is the main property vehicle for Bim Sandhu, former CEO and co-founder of Raven Mount plc and Raven Russia Limited. The Santon Group has recently won numerous national awards for the recently completed 109 unit residential & leisure conversion of the Grade A listed Fort Augustus Abbey in the Highlands. The Santon Group is currently working on a large mixed-use redevelopment of a 15 acre industrial site in Lewes which it is developing in JV with a South African Fund. This is the Santon Group's second recent office acquisition.

[www.thesantongroup.com](http://www.thesantongroup.com) ; [www.thehighlandclub.co.uk](http://www.thehighlandclub.co.uk); [www.northstreetqtr.co.uk](http://www.northstreetqtr.co.uk) .

## **About Quorum Business Park;**

The Quorum Business Park comprises a modern business park developed in the early 2000's onwards and is now fully complete. It provides 870,000 sq ft of office accommodation and office occupiers include IBM, Tesco, OSG Ship Management (Uk) Limited, Aesica Pharmaceuticals, Covergys, Balfour Beatty, Insure The Box, Ebiquity, Creating Careers, Home Group, EAT@, Greggs and HMRC. Quorum is less than 4 miles to the north of Newcastle city centre, in Longbenton. It is an edge-of-town business park rather than an out-of town location so benefits from the infrastructure of Newcastle, with the availability of a local labour force, excellent transport services, easy drive times and nearby amenities. The Quorum catchment area (30 minute commute) has a population of just over 1 million.

[www.quorumbusinesspark.co.uk](http://www.quorumbusinesspark.co.uk) .