

# New Star shoots for Cheval's 'Scarface'

■ Cheval sells portfolio to fund management group

BY JONATHAN BRASSE

NEW STAR PROPERTY IS POISED TO buy Cheval Properties' 'Scarface' portfolio for just less than £90m.

The price for the mixed nine-strong portfolio will reflect a yield of just less than 6% and will bring New Star's total spending to about £290m this year.

It is thought that the company's property arm, headed by Roger Dosssett, plans to spend more than £200m more before the end of the year.

Cheval, the private investor property fund manager led by Robin Fell, is believed to have placed the portfolio on the market for around £85m.

New Star beat rival bids from Insight Investment, Canada Life, Morley and LaSalle Investment Management.

The 500,000 sq ft (46,450 sq m) portfolio comprises five offices, a retail warehouse and an industrial estate in the south-east, as well as an industrial estate in Manchester and a cinema complex in Kilmarnock in Scotland.

The combined annual income of the portfolio is believed to be about £5m. The acquisition is expected to complete within a month.

New Star is known for its roadside advertising aimed at attracting individual investors directly through vehicles such as SIPPs and ISAs. The minimum investment is £1,000.

Property investment and returns show no signs of slowing and the latest UK Investment Property Databank index published this week for the second quarter of 2006 showed returns of 4.9%.

Property performed better than UK equities and bonds, which

produced returns of -1.8% and -1.0% respectively.

IPD's report, which reflects the performance of 7,430 properties valued at £108bn, showed that offices remained the best performer for the third consecutive quarter and offered returns at 6.1%.

Industrial property yielded returns of 4.7% and retail property generated returns of 4.3%. This resulted in the sector not rising in value since the first quarter.

New Star has invested all over the UK, but typically targets the south-east because of the region's strong economic population density and the supply and demand for commercial property.

Fineman Ross is advising Cheval; Joiner Cummings is acting for New Star.

None of the parties involved would comment on the purchase.

## ↓ In brief

**Delta Airlines lands in Hayes**  
Delta Airlines has taken 5,272 sq ft (490 sq m) at Blackstone/JERV Resolution's 1 London Gate in Hayes, west London. The US airline has taken a lease until July 2010 at £20/sq ft (£215.28/sq m). Savills advised Delta Airlines; Jones Lang LaSalle advised the landlord.

**Cobalt Capital moves into Bristol**  
Cobalt Capital has taken 2,716 sq ft (252 sq m) at LaSalle Investment Management's Colston Tower in Bristol at £13.50/sq ft (£145.26/sq m). Knight Frank acted for LaSalle Investment Management.

**Cheverton catalogues Argos sale**  
Cheverton Deeley Freed has sold the freehold of an 11,023 sq ft (1,024 sq m) unit on Upper Bristol Road, Bath, to Eyre Estate for £10.5m - a net initial yield of 3.95%. The building is let to Argos on a 15-year lease at a rent equating to £40/sq ft (£430.56/sq m). Atisrael and MGI/Edwards Hardwick advised Cheverton; Stociford Staunton and Smiths Gore advised Eyre Estate.

**Vision Express out-of-town debut**  
Optician Vision Express has made its debut out of town, taking a 2,197 sq ft (204 sq m) store at Birmingham Fort on a 10-year lease at £65/sq ft (£699.66/sq m) for the first three years with a break option at year three. Its second pilot store is a 2,050 sq ft (190 sq m) unit at British Land's Springvale retail park in Orpington, taken at £50/sq ft (£538.20/sq m) on a 10-year lease also with a break at year three.

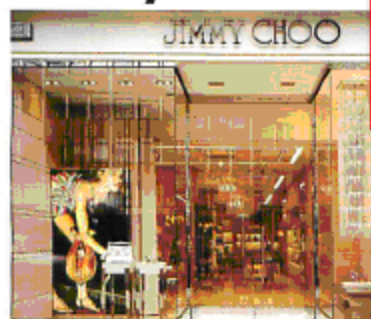
**Bentley parks West Midlands office**  
Bentley Property Developments, advised by Savills, has sold the freehold interest of a new office building at Springvale Business Park in Bilston, West Midlands, to Credo Property Group for more than £4m - a net initial yield of 6.37%. The 1 acre (0.4 ha) site has 17,500 sq ft (1,625 sq m) offices let to SLB Holdings for 17.5 years at £271,250 a year. NAI Fuller Poiser advised Credo.

**Krispy Kreme fattens up**  
Krispy Kreme has stepped up its opening programme as it signed for its 26th store at London Bridge railway station. It plans 10 stores a year in cities such as Manchester, Bristol and Glasgow. Colliers CRE and Shelley Sandzer are managing the acquisition programme.

## Jimmy Choo store

Amendment 10/08/2006 10:55:19  
Options

5.19% Initial Yield  
5.02% Nominal Equivalent Yield



LUXURY FOOTWEAR AND ACCESSORIES retailer Jimmy Choo is stepping up its European store expansion programme and has appointed Cushman & Wakefield to acquire stores in cities across the continent.

Jimmy Choo has around nine stores in Europe, including two in London and several concessions in department stores.

It is searching for up to 20 stores of around 1,076 sq ft (100 sq m) in Europe within the next two years.

Among the priority cities are Milan,

Paris, Cannes, Munich, Barcelona and Rome. Other target cities include Vienna, Düsseldorf, Geneva, Zurich, Antwerp, Brussels, Copenhagen, Prague, St Tropez, Florence, Venice and Amsterdam.

Its plans for new stores include double-height glass-fronted shops.

Jimmy Choo is run by chief executive Robert Bensoussan and president, socialite and former Vogue accessories editor Tamara Mellon. It is also set to launch an online sale service.



Wall headed: Jimmy Choo seeks 20 stores for luxury footwear expansion

Cushman & Wakefield partner Peter Maco said: 'We are looking to secure units in the best European locations commensurate with Jimmy Choo's status of a luxury brand.'

'The draw of the brand as principally a luxury shoe designer is considerable and its presence on a street or within a scheme is already proven in cities where it currently has standalone stores.'