

News

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L&G invests further in Salford New Bailey scheme

Riverside House, part of the English Cities Fund's transformative New Bailey scheme, has been purchased by LGIM Real Assets on behalf of Legal & General's UK Property Fund for £6.3m, representing another strong investment for the fund and further progress for New Bailey.

The innovative office development, which is fully let and home to Muse Developments and Leonard Curtis Business Solutions Groups, completed in the final quarter of 2019 following a meticulous restoration of the original 19th Century façade on two sides of the building, alongside a complete new build of the internal structure. The works resulted in an additional floor being added to Riverside House and the original footprint doubling in size.

Phil Mayall, regional director at the English Cities Fund, said: "With Riverside House fully let and with long-term leases in place, it presented a fantastic investment opportunity within New Bailey. The scheme is a prime example of successful city centre repurposing; taking a once completely underutilised site and creating a business district with its own distinct character and gravitas that world-class companies aspire to be a part of.

"New Bailey has been transformational for the area, serving the needs of both occupiers and the local community, and Riverside House is an important piece of the development jigsaw. With the retention of the 19th Century façade alongside the new build internal core, the building is truly unique, providing much-needed modern office space while respecting the history of the site.

"Now that the building has been sold, we will be focusing on the next phases of development at New Bailey and what is promising to be another exciting year ahead."

Matt Jarvis, senior fund manager, UK Property Fund, at LGIM Real Assets, said: "Using our UK property market forecasts, the fund continues to invest in strong performing assets where we see prospects to drive value and Riverside House is an outstanding example of this.

"As we continue to actively diversify our holdings, Grade A office space remains one of our preferred subsectors, alongside Built to Rent, operational hotels, self-storage and student accommodation, giving us real time access to occupational markets with robust rental growth stories."

New Bailey is being delivered by the English Cities Fund, a joint venture between Muse Developments, Legal & General and Homes England, in partnership with Salford City Council. The joint venture partnership is currently delivering some of the most complex and most successful urban regeneration projects across the UK. Following its expansion in 2018, it continues to take on large, complex sites, to create inspiring new places.