

AF | Advisory

REAL ESTATE / DEBT / EQUITY



AF ADVISORY SOURCES AND ADVISES ON EXCEPTIONAL VALUE ADD INVESTMENT IN CENTRAL LONDON

AF Advisory sourced and advised CLS Holdings on the acquisition of this exceptional value-add investment. Alexander Fischbaum, Managing Director of AF Advisory said:

“After detailed analysis, modelling and business case planning we introduced Prescott Street to our client CLS Holdings because of its improving location, significant potential for increased rent, short leases and low price. Having been value investors ourselves, we realised the attractiveness of this building. CLS immediately spotted the upside. Our close cooperation and complementary skills ensured a great transaction for all parties involved.”

CLS Holdings plc issued the following announcement on the London Stock Exchange:

**CLS Holdings plc
 (“CLS”, the “Group”, the “Company”)
 announces the acquisition of 9 Prescott Street, London E1**

CLS announces that it has exchanged contracts to acquire 9 Prescott Street, London E1 for £53.85 million excluding costs.

The freehold property comprises 96,948 sq ft (9,007 sqm) of multi-let office space over seven floors and is 100% let to four tenants with a weighted average unexpired lease term of 2 years to breaks. It is located on the fringe of the City in the Aldgate area, which continues to undergo significant regeneration, including the new Chinese Embassy at the former Royal Mint site, and is close to multiple key transport links including Fenchurch Street, Tower Hill, Aldgate East and Shadwell stations.

The property, which is being acquired at a capital value of £555 per sq. ft. and a net initial yield of 4.5%, has substantial reversionary rental upside to deliver an estimated yield approaching 8% through active asset management. Current contracted rental income of £2.56 million equates to £26.41 per sq ft and CLS intends to undertake a substantial refurbishment to deliver high-quality space in an improving area with limited supply.

CLS intends to finance the acquisition through existing resources and bank financing.

Fredrik Widlund, Chief Executive Officer of CLS, commented:

“This acquisition is a clear demonstration of our ability to undertake transactions on an opportunistic basis where we can utilise our asset management expertise to deliver value over the long term in line with our strategy. The property’s excellent location and attractive potential makes this an exciting acquisition for CLS.”

As always, we would be delighted to hear from you at +44 20 8004 6868 or london@afadvisory.com if we can be of any assistance or if you have any comments regarding this newsletter.

AF Advisory retains the copyright to our newsletters, reprint in its entirety is expressly permitted, as long as reference is made to AF Advisory Ltd. and www.afadvisory.com.