

Norway Pension pays £191m for London Savile Row HQ

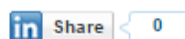
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Norway's €755bn sovereign wealth fund Pension Fund Global has bought Queensbury House on Savile Row in central London - in which its management group is a principal tenant - from Italy's Sorgente Group for £190.6m.

Norges Bank Investment Management, which manages the giant fund, bought the building in an all-cash deal, repaying all debt secured against the building. Sorgente, which held the property in its Fondo David, put the building up for sale last year with a £190m asking price. The building, which fronts onto Old Burlington Street and the renowned Savile Row, has 6,300 sq.m. of office space spread over six floors and 650 sq.m. of retail let to mens' tailors. Norges is one of five tenants, also including private equity firm Summit Partners, and GB Holdings.

The deal sees the cash-rich sovereign continue its onslaught on London property following another busy year in 2014. In October NBIM bought Bank of America Merrill Lynch's headquarters in the City for £582.5m, and earlier in the year extended its West End retail and office holdings in a £381m deal for a majority share in the Pollen Estate which includes other properties on Savile Row.

The sale also marks a quick turnaround and a profitable exit for Sorgente. The Rome-based group bought the building in 2012 for £167m, equating then to a yield of around 4.8%. Sorgente is a specialist investor in trophy buildings, many of them outside its home market, and owns including chateaux in France and the Chrysler building in New York. pie



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