

NW1 OFFLOADS £50M LAST-MILE PORTFOLIO

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NW1 Partners has sold a £50.8m last-mile logistics portfolio to InfraRed Urban Logistics Income Fund.

The 261,000 sq ft portfolio comprises eight urban industrial assets predominately located in Greater London and the South East, with two assets in Manchester and Birmingham.

Initially launched in September 2018, with Marchmont Investment Management, the portfolio was assembled in line with NW1's small-to-mid-cap aggregation strategy.

NW1 managing partner David Boyle said: "Having identified the attractiveness of the last-mile logistics market, we worked alongside Marchmont to build a portfolio of small-cap assets. Having amassed a quality portfolio of assets in strong urban locations while watching the last-mile thesis unfold, we are pleased to have now secured an opportunity to deliver very attractive risk-adjusted returns for our client with the disposal of this portfolio."

Tim Lumsdon, director at Marchmont Investment Management, added that the deal reflected its "firm belief that the fundamentals of this sector provide a robust platform for investment performance".

Dean Harrison, investment director at InfraRed Capital Partners, said: "Over the past year, the Covid-19 pandemic has undoubtedly accelerated changes in consumer.

shopping habits; driving the trend towards e-commerce-related industrial space. This transaction is representative of InfraRed's ongoing commitment to capturing the outperformance expected from the urban logistics sub-sector, and we expect that these assets will continue to benefit from strong occupational demand as this trend towards internet shopping continues.

"InfraRed is looking to expand its urban logistic holdings in the UK and Western Europe throughout 2021 with substantial capital remaining available for deployment."

NW1 and Marchmont were advised by DTRE, Jones Day, Osborne Clarke and Malcolm Hollis on the disposal. Knight Frank, Dentons, Ernst & Young, WSM and Paragon acted for InfraRed.

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