Delancey is a London-based, UK-focussed property investment, development and asset management advisory firm with a passion for real estate. We strive to stand apart from the competition by combining a strong entrepreneurial culture with rigorous financial discipline and a fiduciary mindset.

Founded in 1995, Delancey advises a select group of institutional and private investors on their UK real estate investment activity through discretionary funds, joint ventures and segregated accounts. Delancey is also unusual in that its management team will often be a significant investor alongside its clients. It is this ability to act like a principal, not simply a third-party manager, which creates a significant alignment of investments between Delancey and its clients.

At the heart of Delancey you will find pragmatism, perseverance, integrity, reliability and an absolute determination to succeed. Our team members each have their own strengths and whether they specialise in investment, development, asset management, finance, marketing, compliance, corporate affairs or tax, they all share the same enquiring, open-minded attitude.

Since inception, Delancey and its management team have acquired, developed, managed and sold over £20 billion of real estate and real estate related investments across all sectors and disciplines, the vast majority of which has been undertaken in partnership with other like-minded investors. Delancey’s skill set enables it to evaluate and execute across office, retail, residential and logistics assets as well as real estate-backed operating businesses such as those involving education.

Backed by some of the world’s leading investors, Delancey is recognised for its innovative and diverse approach to creating long-term value and has been responsible for a number of high profile property transactions in the UK. Importantly, Delancey-advised investment vehicles continue to provide pioneering ways to access the UK real estate market.
Delancey’s multidisciplinary skill set includes the sourcing, structuring and execution of property and corporate investments, planning and development, place-making and property asset management including leasing, the strategic management of platform businesses and the provision of debt financing. Investment activities can be divided into three principal areas:

**DIRECT REAL ESTATE INVESTMENT**
Delancey looks for assets that are, or have the potential to become, prime property investments capable of appreciating in value, attracting high calibre tenants and generating long-term secure cash flows. We advise on acquisitions where value can be created through proactive asset management programmes including rebranding or reconfiguring assets, converting assets to alternative uses, re-gearing leases as well as implementing refurbishment, redevelopment and repositioning plans.

**INDIRECT REAL ESTATE INVESTMENT**
Delancey advises on investments in both real estate companies and businesses which have significant underlying real estate exposure. This is based on our experience with evaluating and implementing corporate structures, the underlying assets themselves, as well as the equity and debt capital markets. The acquisition of businesses in fragmented markets or where additional scale can generate value is actively pursued and, when necessary, suitable capital partners are introduced or new and existing operating partners are retained in order to optimise the performance of the investment.

**NEW BUSINESS CREATION**
Delancey is open-minded towards the establishment of new business platforms and has been involved in a diverse range of business formation initiatives, often in partnership with specialist management teams. We look for opportunities and sectors where the barriers to entry are high, favourable supply-demand fundamentals are present or an arbitrage between the public and private real estate capital markets exists. The successful exploitation of all such new business ideas requires, amongst other things, the relevant operational credentials, the necessary capital, the expertise to create the optimum corporate structure, the corporate governance skills to run the business and the ability to crystallise the investment.
It takes a particular type of business to develop and execute investment strategies like Delancey. Entrepreneurial in outlook and commercial in spirit but principled and focussed on traditional values, fast moving and decisive but thorough and considered, robust in negotiations but steeped in integrity; an approach we call knowledgeable opportunism.

We develop a specific strategy for each investment opportunity, putting in place the most appropriate and efficient capital and corporate structures. The company’s cycle-tested, long-standing senior management team and non-hierarchical structure together with the expertise, experience, reputation and credibility that we have built over the past twenty years enable us to achieve an optimum mix of speed and rigour.

We only become involved with investments that meet strict criteria in terms of the underlying quality of the assets, liquidity, stability of cash flows and capital growth potential. Most investments are structured and financed with a view to holding them for the long term, therefore ensuring that an asset need not be sold before the appropriate moment to exit.

Delancey’s extensive network of contacts often provides access to knowledge and opportunities ahead of the general market.
Just as our expertise and involvement is frequently sought by other companies, we also often opt to involve partners who can bring operating expertise, capital or access to direct and indirect property investments. In all cases we strive to create synergies that leverage each other’s skill sets and align each other’s interests as well as the interests of our clients.

Delancey has been involved in a number of transactions in conjunction with partners, ranging from global financial institutions, public and private pension funds, property development companies, government entities, sovereign investment funds and other real estate investment management firms. Examples include:

- H M Government
- The Crown Estate
- Qatari Diar
- Land Securities Group
- APG Asset Management
- British Land Company
- Scottish Widows
- Centros UK Ltd
- Standard Life
- The Royal Bank of Scotland
- Santander
- Franklin Templeton
- The Portman Estate
- Soros Real Estate Partners
- Sand Aire Ltd
- Ares Management, L.P.
- Galliard Residential
- The Safra Family
- Pearson Pension Property
- Fund Limited
Delancey actively seeks investment opportunities in companies with strong underlying property assets or specialist real estate-related expertise. Occasionally we also look at operating businesses with a direct or indirect real estate component where our property expertise can be used to drive value.

An example of this is the Alpha Plus Group, the second largest private education business in the UK whose business comprises pre-preparatory and preparatory schools, colleges and nurseries, with a total of 25 school buildings many of which are located in and around central London. The private school sector in the UK has high barriers to entry, with real estate and planning being two of the most challenging hurdles. The Alpha Plus Group gave Delancey the opportunity to acquire a stable real estate-backed platform with the potential to increase cash flow by combining the skill sets of the Delancey and Alpha Plus Group organisations.

Since the Alpha Plus Group was acquired in December 2007, our real estate expertise has allowed us to significantly expand and improve the business, including opening 11 schools, increasing pupil numbers by over 40% and increasing EBITDA in excess of 100%. This has been achieved while we concurrently enhanced the quality of the core education offering as is evident in the group’s academic results which have gone from strength to strength.
Delancey has an in-depth and extensive understanding of the UK office market. Our principal approach is to acquire buildings which are, or have the potential to become, prime office investments. We do this through proactive management, executing off-market acquisitions, creative structuring, development, acquiring assets whose capital structures or current owners are, or are about to be in, some type of distress, effecting lease re-gearings and changes of use and implementing tenant-focussed strategies.

Delancey has a particular strength in the greater London office market where the team has been active for more than 20 years. Transactions have been completed from Hammersmith in the west to Canary Wharf in the east and most major London submarkets in between including Central London and the City.

One example of this is the Rolls Building, a 270,000 sq ft development in the City of London undertaken by Delancey with capital partner Invista and successfully pre-let to the UK Government to serve as the home of the UK’s new commercial and business court. A number of Delancey-advised investment vehicles spent several years acquiring four separate buildings that were let to the same occupier, enabling the team to re-gear the tenant’s leases across the entire estate. Ultimately Delancey was able to secure vacant possession of both Rolls House and two adjoining dilapidated office buildings and achieve planning consent to redevelop the entire site into a single office building. The Rolls Building was fully fitted to an “excellent” BREEAM rating.

Delancey has also been active in the UK regions. Undertaken by one of our development platform businesses, Allied London, in partnership with Manchester City Council and RBS, the redevelopment of Spinningfields is renowned as one of the UK’s most successful urban regeneration schemes. The effort involved transforming a tired brownfield site in the heart of Manchester into a vibrant 4,600,000 sq ft international business district, including the creation of new buildings and public realm of the very highest standards along with premium retail thoroughfare and modern residential to complement the commercial assets.
With a 20-year history of developing and managing high street retail assets, shopping centres and retail warehouse parks, Delancey seeks to create retail destinations that act as a catalyst for the regeneration of the neighbourhoods in which they are located or improve the appeal and retail offer of an already established location. Innovative solutions are achieved through continuous intensive research, a deep understanding of consumer and retailer behaviour, including the rise of the internet, and changing demographic patterns. We are committed to achieving the right balance of tenant mix and financial dynamics to achieve the best long-term rental growth potential out of each asset.

240 Regent Street, a one acre “island” site on the east side of Regent Street in London’s west end and the former home of Dickins and Jones Department Store, is a prime example. Delancey’s team secured planning permission for a redevelopment of the property to include seven ground floor retail units, three floors of offices and a restaurant on the top floor. The purchase of the head lease interest from Legal & General then allowed complete flexibility in redeveloping the building. The lettings on the remaining retail units to three strong international tenants (Banana Republic, for its first European store, Nokia and Armani Exchange) were used to finance the entire redevelopment. The 30 year head lease from the Crown Estate was then extended to 150 years - the longest head lease granted on Regent Street.

Delancey’s retail experience is not limited to London and it has undertaken a wide and diverse range of projects across the UK, including the Arc, Bury St Edmunds. Appointed in 2001 in partnership with St Edmundsbury Borough Council, Delancey and its development manager Centros, created a thriving, mixed-use ‘open shopping centre’ including a number of new private apartments. The centre extended the original street pattern of the town centre and we targeted an established list of retailers and leisure operators to provide a quality tenant mix that was not present before. This enabled the scheme to establish itself as the main retail location in the town swiftly, ensuring 92% of the income was secured within 12 months of the opening in March 2009. The project went on to be awarded a host of accolades including the British Council of Shopping Centre Gold Award prior to being sold to ING in 2010.
Delancey has extensive experience in residential development and management in both the for-sale and rental sectors, having invested and led place-making projects across London and the UK.

We are at the forefront of the current drive to create an institutional investment market in the private rented sector (PRS), having established the UK’s largest PRS scheme at East Village, the former Athletes’ Village for the London 2012 Olympic Games in Queen Elizabeth Olympic Park. The site comprises freehold ownership of a 75-acre estate and includes 1,439 completed private apartments and development plots with planning consent for an additional 1,850 units.

Operated by Get Living London – a newly established residential owner and rental management company established by the same Delancey and Qatari Diar joint venture which owns East Village – it aims to make renting in London a better experience for tenants. This is achieved through a carefully crafted package of tenant-friendly activities which include:

- ensuring that consumers are not charged fees or subjected to hidden costs (i.e. lease renewal, administration, check-in/check-out);
- providing renters both security and flexibility through the ability to choose between one-, two- or three-year tenancy terms with resident-only break clauses;
- letting homes directly to residents without the use of agents or middlemen; and
- providing exceptional levels of service, including a 24/7 emergency response team.

With this approach Delancey aims to revitalise the experience and perception of the PRS market from a customer’s perspective, hence driving long-term values and helping to establish an institutional investment market in this sector.
Continuing our history of forming partnerships with specialist management teams, in December 2014 clients advised by Delancey established a UK logistics development platform through the purchase of a 60% interest in Barwood Developments Limited, a leading logistics developer whose management team has delivered approximately 9.6 million sq ft of logistics space in the UK since 1996. Post-acquisition, in which Barwood’s existing management team retained 40% of the platform ensuring an alignment of interest, the business was rebranded as db symmetry.

The new platform was sought and established for a number of reasons including Delancey’s recognition of:

- stronger UK economic fundamentals and growth in the UK manufacturing sector;
- a seismic shift in retail habits - particularly from the growth of online retailing and e-commerce;
- a long-term opportunity to capitalise on the significant requirement for urban logistics space and efforts to support “last mile delivery”; and
- favourable supply-demand fundamentals as the requirements of modern logistics for larger, specialist facilities cannot be accommodated by current stock.

db symmetry’s existing portfolio comprises option agreements which control thousands of acres of strategic land holdings in a wide variety of locations, which are expected to receive planning consent for the development of over 20 million sq ft of prime logistics property over the next six years. The portfolio, which has an expected development value in excess of £1.4 billion, is extremely well located and concentrated around a number of the main motorway arteries of the UK.

The platform allows us to deliver newly developed logistics assets into an undersupplied market at an exciting period of change in the sector while at the same time providing our clients access to attractive investment dynamics supported by a day-to-day management team with a long-term track record in the sector.
Delancey has been directly involved in bringing the legacy of the London 2012 Olympic Games to life. In addition to transforming the former London 2012 Olympic Athletes’ Village into London’s newest neighbourhood, East Village, Delancey is also working to develop Here East (formerly known as the London 2012 Olympic Press and Broadcast Centre) into a 1.2 million sq ft world-class technology and creative digital cluster. It will include a range of versatile spaces bringing together global companies and London’s most innovative start-ups to collaborate and learn from each other, as well as a state-of-the-art data center operated by Infinity SDC, the UK’s leading data centre operator.

The Here East development had a big vision: to build a new technology cluster by utilising the phenomenal digital infrastructure the buildings offered and to become the economic legacy of London 2012 through regeneration, employment, education and the promotion of enterprise.

Here East has gone on to become a recognised destination on the UK technology landscape and is viewed as a thought leader on curating a new digital campus and its contribution to the creation of a new economic district in the capital. It is also a regular destination for UK and overseas politicians, government officials, trade bodies, architects, urbanists and future Olympic cities’ bid teams as they seek to emulate models of best practice around the world.

As well as providing a new community destination featuring a landscaped canal side with artisanal cafes, shops and restaurants, Here East is expected to create over 7,500 jobs, including 5,300 on-site and a further 2,200 in the local community. Tenants to date include BT Sport, Loughborough University, Hackney Community College, Studio Wayne McGregor and Infinity SDC.
As a leader in development and strategic asset management, Delancey has particular skills in place-making and tailoring an individual approach to a neighbourhood. In addition to taking great care to ensure that we make a positive impact upon the environment – both during the planning and construction phases of our developments – the company is also committed to working together with local residents, business owners and other key constituents to form and sustain a strong and vibrant community and to respond to the changing needs of the community as the neighbourhood develops and evolves over time.

East Village is a prime example of this. Developed in a joint venture with Qatari Diar, Delancey created a brand new neighbourhood for London on the site of the former London 2012 Olympic Athletes’ Village, with 1,439 homes available for rent, a Harris Academy school, on-site health centre and plans to develop another 1,850 additional homes. In addition to its rich sporting and Olympic heritage, Delancey was also conscious that the new East Village neighbourhood was being created on the doorstep of a range of existing local communities. As a result Delancey actively engaged – and continues to engage - with local residents and organisations, offering support, sponsorship and funding to relevant projects that are of benefit to the local community. In addition to being named as the ‘Best New Place to Live’ in the 2014 London Planning Awards, Get Living London – Delancey and Qatari Diar’s residential owner and rental management company – also went on to be awarded a ‘Community Relations’ award at the 2014 Sabre Awards.

Delancey also seeks to avoid commercial ‘short termism’ with respect to the creation and maintenance of a safe, diverse and vibrant environment, and, in order to maintain a diverse tenant mix, control the occupation of commercial and residential premises through the retention of freeholds and leasehold lettings policies. At the Southside Shopping Centre in Wandsworth, South London, we take an active role in town centre management partnerships including participating in the local Business Improvement District (BID). This ensures that our interests are aligned with surrounding property owners, public realm outside our ownership is properly managed, key public bodies, such as the local authority, are lobbied and the centre is placed at the heart of the community. Delancey also ensures its managing agents work with residential occupiers (including council tenants), to ensure their interests are considered, particularly in relation to addressing issues of noise, access and health and safety issues.
Delancey has an enthusiasm that goes beyond the recognition that real estate is an effective investment vehicle; we are also conscious that property development has a large impact on society.

We all live, work, shop and relax in the buildings that real estate professionals plan, design and construct. We therefore have a responsibility to ensure that our projects make a positive contribution so that all of our stakeholders benefit – whether they are tenants, consumers, partners, investors or the wider community.

Delancey is constantly on the lookout for ways in which we can make much needed contributions to the community. Together with our peers and friends in the property sector we support a number of charities as well as deserving causes in the world of art and culture, including:

- Anne Frank Trust
- Bradfield Greek Theatre
- Cycle to Cannes
- Legacy List
- Disability Snowsport UK
- ABF The Soldiers’ Charity
- Reading Real Estate Foundation
- Regent’s Park Open Air Theatre
- Norwood
- Globe Theatre
- Maggies Cancer Care Centres
- Dulwich Picture Gallery
- The Duke of Edinburgh’s Award
- LAPADA
- The Globe
- Snow-Camp
- Better Bankside
- The Wallace Collection
Sponsored by Delancey, the UK Schools’ Chess Challenge begins every spring, and continues over four stages and eight months. In the first stage children compete week by week in schools all over the UK. Every child is eligible to win prizes, whether badges, gold spots, mascots, trophies and even baseball caps so that every child has something to play for.

The Chess Challenge began in 1996 and was an immediate success with 700 schools representing approximately 23,000 children entering the competition. Competitor figures have continued to increase substantially and now over 52,000 children participate. The structure of the tournament is simple - allowing the most inexperienced players to compete in the early stages, yet testing the mettle of the finest players at the end.

Chess is one of the most enjoyable and exciting ways for children to learn how to develop and improve their logical and abstract thinking, their decision-making skills and creativity and Delancey is delighted to support it through this sponsorship.
Just two weeks before the start of the Winter Olympics in Sochi, Russia, Delancey signed up as principal sponsor for British Ski and Snowboard providing funding for 2014 and 2018 Winter Olympic success.

Delancey’s funding encompasses support for British Ski and Snowboard athletes, including alpine, snowboard, freestyle and cross-country. As well as supporting programmes for established athletes, importantly our funding will benefit the UK’s younger, promising stars, giving them the opportunity to pursue their passion via the provision of facilities and training in the UK and internationally.

The headline sponsorship is in addition to Delancey’s ongoing title sponsorship of the Delancey British National Alpine Championships and our new partnership with Snow Camp, an innovative youth charity which uses a unique combination of skiing, snowboarding and life-skills programmes to support inner-city young people.
Delancey thinks and works smart. Our culture makes it easy for us to share information and ideas efficiently, allowing us to grasp new opportunities when they arise.

For more information on Delancey or any of our projects please do get in contact.

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Disclaimer

Unless otherwise stated, all statements made within this document are current as of April 2015.

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