

Westfield to sell Merry Hill stake

Developer to sell £500m mall portion to Australian fund manager QIC

BY LAURA CHESTERS

WESTFIELD IS SELLING A 50% STAKE IN its largest asset, Merry Hill shopping centre in Dudley, for around £500m to Australian fund manager QIC.

Westfield is in talks to sell the stake in Merry Hill in the West Midlands to Brisbane-based QIC to raise cash to fund its Stratford City scheme in east London and its wider development pipeline.

Neither party would comment on the transaction but QIC, the state of Queensland government state pension fund, has been searching for investment opportunities in the UK for the last six months. The transaction will be its first in Europe.

Laurie Brindley, head of global real estate at QIC Real Estate (QICRE), would not comment, but said: 'In terms of our general strategy, we have been investigating the international property markets over the last few years with a view to securing suitable long-term investments.'



Westfield's sale: the Merry Hill centre in Dudley

'It has become clear we need to balance our portfolio by investing outside Australia. The UK/Europe, the US and the more mature Asian markets are a particular focus for QICRE.'

Westfield has been keen to reduce its development exposure in the UK after winning the development rights to the £4bn Stratford City this month.

The 50% sell-off at Merry Hill, Westfield's second most profitable shopping centre in the UK, allows it to fund its development plans, which include a 400,000 sq ft (37,161 sq m) retail extension of Merry Hill and the development of the surrounding Brierley Hill area to create a 'town centre' scheme. CB Richard Ellis is thought to be involved in advising on the sale.

Parliamentary group for property

THE BRITISH PROPERTY Federation is to help set up an all-party Parliamentary group to take property issues into the House of Commons for the first time. The All-Party Urban Development Group will be chaired by Labour MP Clive Betts. Vice-chairs will include

James Brokenshire, Conservative MP for Hornchurch; Baroness Scott of Needham Market, Liberal Democrat peer and spokesperson for the DLU; and Lord Best, director of the Joseph Rowntree Foundation. Nick Raynsford, Labour backbencher and former

local government minister, will be honorary chair. The BPF will provide the secretariat for the group, which will include a further 20 MPs and peers. The Centre for Cities will form the group's research arm. The group will hold three inquiry sessions

every year to look into a range of issues related to the property industry. Chris Carter, director for public affairs at the BPF, who will sit as secretary in the group, said: 'The group will influence parliamentary policy, and look to establish blueprints for reform.'

Qualifications authority to relocate outside London

THE QUALIFICATIONS AND CURRICULUM Authority is leaving London as part of the Lyons relocation plan.

The QCA has shortlisted six destinations outside the capital for a move of up to 120,000 sq ft (11,148 sq m). It occupies Warford Investments' 85,000 sq ft (7,897 sq m) building at 82/84 Piccadilly,

overlooking Green Park. Derby, Nottingham, Bristol, Coventry, Sheffield and Birmingham are all competing for the relocation. The QCA's executive met on Wednesday to consider presentations from each area.

However, a decision is unlikely to be made until September. The QCA is

expected to move into new premises in 2009.

The QCA has about 650 staff. It is a non-departmental public body within the Department for Education and Skills, responsible for setting the national curriculum and for all related tests and qualifications, such as GCSEs and A Levels.

↓ In brief

NCR to relocate staff to Watford
NCR has chosen Watford to relocate staff from its headquarters in London's West End. The data services firm will take 40,000 sq ft (3,716 sq m) at National Provident Life's 64 Clarendon Road at £20/sq ft (£215,287/sq m) on a 12-year sublease from Gainsborough Morrison. The move is dependent on a subleasing deal with advertising company Grey London, which is set to take 60,000 sq ft (5,574 sq m) at NCR's 206 Marylebone Road (news, 09.06.06). CB Richard Ellis acts for NCR; Perry Holt & Co, Donaldsons and Ramirez advise the landlord.

Morley buys Derby retail
Morley Fund Management has acquired 77,000 sq ft (7,153 sq m) of retail accommodation in Derby from Merbrook Prime Retail Property Unit Trust for £49.2m, reflecting an initial yield of 4.5%. The deal was for 15 shops on 1-6 and 7-14 Albion Street - part of a £400m purchase from Prudential in December 2005. GBR Property Consultants and King Sturge acted for Morley.

Estate agent and solicitor jailed
Estate agent Leslie Pattison has been jailed for three years. On Monday, Pattison was found guilty of 'acquiring criminal property' and of 'entering into or becoming concerned in an agreement which he knew or suspected facilitated the acquisition, retention, use or control of criminal property', at Warwick Crown Court.

London hospital site deadline
The deadline for bids for the Middlesex Hospital development site on Mortimer Street in London's West End was this week. Bidders were expected to include Great Portland Estates, London Merchant Securities, British Land, Development Securities and Grainiger Trust. CB Richard Ellis was inviting bids above £100m.

Prologis to sell London sheds
Prologis is poised to sell its £53.25m east London industrial portfolio. Prologis is to sell sheds on Welson Avenue, Thurrock, and Gascoigne Road, Barking, for £25m, a yield of 6%, into Rugby's AIM-listed fund 012 Estates. It is also set to sell a 272,695 sq ft (25,334 sq m) shed on River Road to Glenn Maud's Prop Invest. Burbage Realty is advising.