

Press Release

23 September 2024

Crosstree and Bloom acquire west London industrial estate for new £200 million joint venture

Crosstree Real Estate Partners, the London-based private real estate investment firm, and Bloom, the urban industrial investor and developer, have kicked off a new £200 million last-mile, industrial and logistics joint venture with the acquisition of a multi-let industrial estate in west London.

The joint venture has been created to invest in underinvested assets in supply-constrained sub-markets that can be enhanced to grade A quality with enhanced sustainability credentials. The geographical focus will initially be in London and the south east, but will likely expand to regional cities that have similarly attractive supply-demand dynamics.

The first investment is Fairview Business Centre, a prime, highly reversionary multi-let industrial estate in Hayes that has been acquired for £30 million from A2 Dominion Group.

Constructed in the 1970s and 1980s, the estate comprises 106,901 sq ft of industrial space across five units, and is 70% occupied by four tenants, including Ford Retail and Direct Link Worldwide. The estate is highly reversionary, with prime rents in Hayes now around £30/sq ft. Bloom and Crosstree intend to carry out a comprehensive refurbishment of the entire estate and improve its EPC rating from D to a targeted A+ rating.

Hayes is a well-established industrial centre with strong connectivity to central London, Heathrow Airport and across the UK and has experienced considerable recent large-scale development, particularly residential, fuelled by the opening of the Elizabeth Line at Hayes & Harlington Station, which is a five minute walk from the estate.

Bloom, led by co-founders Sam McGirr and Tom Davies, will manage the Crosstree last mile joint venture alongside its existing £250 million ultra-urban warehouse joint venture with TPG Angelo Gordon, which has invested in seven assets in central London through a mix of refurbishment and ground-up development projects.

Liam Singh, Managing Director at Crosstree Real Estate Partners, said: "We are thrilled to have partnered with the experienced team at Bloom as we seek to take advantage of the attractive investment environment in the UK last-mile logistics sector which continues to demonstrate highly compelling fundamentals. Fairview Business Centre represents a strong first investment for the venture, and we look forward to bringing forward our plans whilst seeking further similar investment opportunities".

Tom Davies, co-founder and managing partner of Bloom, said: "We are delighted to partner with Crosstree on this new joint venture which expands our brown-to-green urban logistics strategy, repositioning underinvested properties into modern, fit-for-purpose warehouses, suitable for a diverse customer pool. We believe the current environment provides an excellent buying opportunity,

with industrial property values having appeared to have bottomed out and now trending upward, and with investor sentiment having improved, as inflation and the cost of capital have reduced”.

Sam McGirr, co-founder and managing partner of Bloom, said: “Fairview is a fantastic first asset for the joint venture. We have acquired it at below replacement cost. It is superbly located within a large regeneration area, where industrial property is being redeveloped into residential, leading to an undersupply of good quality industrial and logistics space. It is well let with a strong and diverse tenant base but also gives us the opportunity to improve its quality through a refurbishment and installation of sustainable products such as solar panels and EV chargers”.

Bloom was advised by Rothschild & Co on the joint venture equity raise. Bloom and Crosstree were advised by Fidu Property on the acquisition and A2 Dominion was advised by CBRE.

FOR FURTHER INFORMATION:

Bloom:

Tom Davies, co-founder and managing partner
tom@bloom-developments.co.uk

Tavistock (PR adviser to Bloom):

James Whitmore
07740 931042
james.whitmore@tavistock.co.uk

Aver (PR adviser to Crosstree):

Nick Thornton
07808 940208
nickthornton@averpr.com

NOTES TO EDITORS:

About Crosstree Real Estate Partners

Crosstree Real Estate Partners is a private real estate investment firm with a focus on the UK market. Founded in 2011 by Sean Arnold and Nick Lyle in partnership with Ernesto Bertarelli’s investment firm B-Flexion, and based in London, Crosstree combines a private equity mindset with local market operating expertise to identify and unlock value from each transaction. It invests opportunistically across all real estate sectors with a strong bias towards value-oriented investments. Following substantial initial backing from the Bertarelli family, in 2019 the capital base was expanded to include a select group of institutional, endowment, sovereign wealth fund and family office/foundation investors. Crosstree has raised capital commitments of over £1.4 billion since inception, with a current portfolio GAV in excess of £2 billion.

About Bloom

Bloom was formed by Tom Davies and Sam McGirr in July 2020 with a mission to transform under-utilised real estate in central London into ultra-urban industrial and logistics space to enable its customers' businesses to thrive. Bloom has a joint venture with US private equity firm, TPG Angelo Gordon to acquire and develop a portfolio of fit-for-purpose industrial and logistics properties in inner London. In August 2024, Bloom launched a new joint venture with UK private equity firm, Crosstree to acquire and develop a portfolio of high quality multi-let industrial estates located in last mile locations across London and key cities in the UK. Alongside operational suitability, a key motivator for Bloom is to achieve market-leading and future-proofed ESG credentials, with new schemes targeting BREEAM 'Excellent' and EPC 'A+' ratings and offering enhanced wellbeing for customers.