RPMI Railpen exchanges on Birmingham’s largest office investment deal of the year to date

RPMI Railpen and Nurton Developments have exchanged on Birmingham’s largest investment transaction of the year, with Railpen acquiring 2 Colmore Square and Cannon House in the city centre.

GVA and V7 Asset Management acted on behalf of RPMI Railpen, with CBRE representing the vendor, Colmore Square LLP (Nurton Developments).

Formed of two interconnected buildings, which offer contiguous 40,000 sq ft floorplates from the third floor upwards, 2 Colmore Square and Cannon House were purchased for approximately £95 million, representing a yield of 6.4%.

Situated at the head of Colmore Row, Birmingham’s professional and financial services heartland, the building is 95% let off an average rent of £21.50 psf and provides approximately 300,000 sq ft of BREEAM Excellent, Grade A commercial space across seven upper floors, with retail accommodation at ground level.

Occupiers include Shoosmiths, Jacobs UK, Energy Systems Catapult, the Secretary of State, and Handelsbanken.

Anna Rule, Head of Property at RPMI Railpen, said: “We are delighted to have exchanged on this significant Birmingham asset. The building’s proximity to the new HS2 Curzon Street station, the low rents and the asset management opportunities that exist provide long term opportunities for growth. This purchase meets all of our core investment themes and will help to meet our mission to pay members’ pensions securely, affordably and sustainably”.

Rupert Young, Development Director of Nurton Developments, said: “We’re proud of what we achieved with the back to frame refurbishment of this significant asset. Having completed the vast majority of our business plan now is an appropriate time to recycle the capital and look for new value add opportunities”.

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RPMI Railpen is the trading name of Railway Pension Investments Limited, which is authorised and regulated by the Financial Conduct Authority (FCA). RPMI Railpen acts as the investment manager of the railways pension schemes and is responsible for the management of around £28bn.

RPMI and RPMI Railpen run the railway pension schemes on behalf of their parent, the Railways Pension Trustee Company Limited (RPTCL).

RPMI offers a complete range of pensions administration services for all types of scheme, including Final Salary, Career Average Revalued Earnings and Defined Contribution along with pensioner payroll, data cleanse, co-sourcing and hosting and scheme accounting.

The company also provides a range of services to pension scheme trustees, such as communications, trustee training, scheme balloting, pensions technical and regulatory services and scheme governance.

GVA offers the country’s leading and most diverse real estate advisory service. With its in-depth understanding of the market, supported by a leading research capability, GVA advises private businesses and the public sector on the whole real estate lifecycle - offering clients a service that spans the entire property lifecycle from strategy and planning, through to delivery and management. GVA has 15 offices in the UK, headquarters in London and 1,500 staff around the UK. GVA is an independent group under the ownership of EQT Partners.

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