

LGIM lends £30m to Clipstone

By **David Parsley** | Mon 18 October 2021

LGIM Real Assets has completed a seven-year senior secured loan of £30m to Clipstone Industrial REIT.



Source: Shutterstock/ Maxim Blinkov

The loan is secured against a portfolio of last-mile logistics assets

The loan was arranged by LGIM's Real Estate Debt business, and Centrus Advisors acted as debt advisor on the transaction.

The lending is secured against an initial portfolio of six industrial properties located in Chessington, Swanley, Enfield, Sutton, Reading and Chelmsford. The properties are a mix of multi-let

industrial estates and single-let units.

The loan also includes a shelf facility to support Clipstone's future acquisitions into the sector, and overall growth aspirations.

James Spencer-Jones, head of real estate debt at LGIM Real Assets, said: "The investment supports a high performing REIT with ambitions to grow, through secured financing and provides us with a robust income stream for our internal and external clients. It's a good strategic fit for us given our wider industrial sector knowledge across the Real Assets platform.

“It gives us the opportunity to diversify our Real Estate Debt book and gain further exposure to an outperforming sector. The outlook for the industrial sector creates a stable backdrop for debt investment with highly constrained supply and record high levels of demand from domestic and international investors, as well as e-commerce.”

Toby Dean, chief executive of Clipstone Investment Management, added: “We are delighted to have entered into a new, seven year, fixed rate debt facility with LGIM Real Assets. Both Centrus and LGIM Real Assets demonstrated an excellent understanding of Clipstone’s operations and, in a highly competitive investment market, the debt facility provides flexibility for the REIT to draw down funds as and when suitable opportunities can be sourced.

“The REIT now stands at £300m of industrial property around London and the South East, is one of the top performing funds in the UK and the new facility will allow us to grow the portfolio via selective acquisitions, as we continue to target a sector with strong supply and demand dynamics.”

LGIM was represented by CMS on the financing. Russell Cooke and Mills & Reeve acted on behalf of Clipstone.