

LONDON DEVELOPMENT

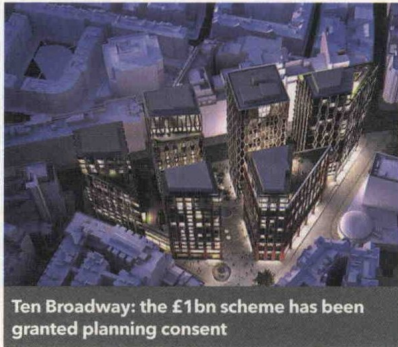
New Scotland Yard owner seeks finance for £1bn super-prime resi scheme

The Middle Eastern owner of New Scotland Yard in Central London has approached lenders with the prospect of financing its £1 billion luxury residential-led scheme at the site.

Abu Dhabi Financial Group (ADFG) agreed to buy the former headquarters of the Metropolitan Police for £370 million in December 2014. The complex, which benefits from a prominent location between Parliament and Buckingham Palace, is set to be transformed into a collection of six towers ranging from 14 to 20 storeys.

In February, ADFG was granted planning consent by Westminster City Council for the demolition of the existing police HQ and its replacement with 246 high-end apartments, plus offices and shops on the 1.78-acre site. Residential developer **Northacre** will partner ADFG on the scheme, which will be rebranded as Ten Broadway.

ADFG has not instructed a debt broker and is handling the search for finance in-house. The investment firm is understood



Ten Broadway: the £1bn scheme has been granted planning consent

to be in the early stages of sounding out potential lenders and has reportedly tested their appetite to provide finance to as much as 60 percent loan-to-cost. The actual purchase of the site is yet to complete as the Met Police undertakes

the painstaking process of decommissioning what was its HQ since 1967. As a result, a development financing deal is unlikely to be struck in the immediate future.

Several prominent Central London developments with a significant residential component are in the market for finance.

Lenders have been approached about funding The Stage in trendy Shoreditch. The scheme is being developed by a consortium comprising Cain Hoy, Galliard Homes, MG Properties and Plough Yard Developments.

The consortium is in the early stage of speaking to lenders but is understood to have discussed the option of at least £400 million of finance for the scheme, which has a gross development value of £750 million.

Located in East London, close to the 'Tech

City' business area, The Stage is a different prospect to London's super-prime residential development. The mixed-use scheme includes a 40-storey residential tower and more than 250,000 square feet of office, retail and leisure space. It will also incorporate the remains of Shakespeare's sixteenth century Curtain Theatre as a visitor attraction.

Last June, Investec Structured Property Finance provided a debt and equity package to fund the consortium's £170 million acquisition of the site. Marketing of the residential aspect of The Stage was launched in March and pre-sales are reported to be over 20 percent after the initial launch.

Elsewhere in the capital, Canary Wharf Group is in the process of arranging finance for its 60-storey Newfoundland residential tower in the Docklands. The scheme includes 560 private rented sector apartments.

Middle Eastern developer DAMAC is also seeking around £350 million of finance to fund its luxury Aykon Tower residential development in the Nine Elms area of South West London. The scheme is informally known as the 'Versace Tower' as the apartment interiors will be designed by the Italian fashion house. ■