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URBAN & CIVIC JOINT VENTURE IN £46.75m MAIDENHEAD SALE

Terrace Hill has sold a Maidenhead office complex it held in a joint venture with a capital management client of Marick Real Estate to M&G Real Estate for £46.75 million.

The sale of Quantum reflects a net initial yield of 6.7%. The deal is the first since the completion of Urban&Civic's reverse takeover of Terrace Hill, which developed Quantum in 2008.

Terrace Hill own a 26% share of the joint venture, and will receive net cash of £3.7 million after repayment of bank debt in the joint venture. The remaining 74% is owned a Middle East fund managed by Marick Real Estate, Terrace Hill had previously written down its investment in the joint venture to zero.

Quantum comprises two buildings totalling 124,000 sq ft of Grade A offices in two blocks, with tenants including Biogen, Abbott Laboratories, Compuware and Seagate Technology. The scheme on Norden Road was completed by Terrace Hill in 2009 and currently generates an annual rental income of £3.3m.

Rob Lane, Development Director of Terrace Hill, commented: "Our first transaction as Urban & Civic plc has been achieved at an excellent price, reflecting both the significant yield compression in the south-east office market and growing appetite from major institutions from high quality assets in the regions. The proceeds will allow further opportunity for our recently enlarged business to focus on new development-led opportunities in clearly identified sectors.

"The transaction is in line with our twin focus on commercial development and trading opportunities across Central London and the UK's regions, combined with creating large-scale residential-led sites that benefit from strong transport links as well as robust local economies, and we look forward to announcing further transactions in due course."

Nick Sinfield, director of Marick Real Estate commented: "Our Investor clients have significant funds available for UK development projects"

Cyril Leonard and JLL acted for Terrace Hill and Marick Real Estate and Everton Philips advised M & G Real Estate on the transaction.



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