

Benson Elliot enters Italy with bargain deal

UK private equity real estate group Benson Elliot has made its first move in Italy by acquiring the Terminal Nord retail park in Udine and the Via Aurelia luxury residential development in Rome. Financial details were not disclosed, but PropertyEU signalled in early April that Benson Elliot had purchased the retail park in Udine from British Land's Pillar Retail Europark Fund (PREF) for a bargain price.

The 32,340 m² retail park is believed to have been sold for just less than €50 mln, representing a discount of over 50% to PREF's acquisition price of over €100 mln in 2008. The deal reflects a gross yield in the region of 10%. 'Benson Elliot's investment reflects the firm's confidence that Italy has turned the corner and is on the way to recovery, and



AURELIA RESIDENTIAL SCHEME IN ROME

its intention to be an early and significant mover in the country's property markets,' the company said.

Terminal Nord had been put on the market by British Land in 2013 as part of the UK REIT's strategy to pull out of Continental

Europe. The scheme is 95% let to national and international occupiers including Carrefour, Casa, Decathlon, Euronics and Maison du Monde, Kiabi and OVS. CBRE is believed to be advising the vendor on the deal.

In Rome, Benson Elliot has bought a development scheme comprising two buildings on a 10,000 m² hill-top site in the Aurelia area to the west of the city. All the building permits are in place to deliver an upmarket, €100 mln end-value project in Italy's largest residential market. The asset was acquired from a private Roman family, who previously used the existing buildings, currently vacant, as a private hospital.

The development is expected to take two years to complete, with construction starting in the third quarter of 2014.