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Clarion Gramercy to invest €134 million in France including 2 logistics developments

Clarion Gramercy grows logistics exposure in France as one of its key markets

Clarion Gramercy (“CG”), a real estate investment fund manager specialising in logistics and industrial assets, has agreed to forward fund two Grade-A warehouses in prime French logistics locations, for a total consideration of €122.5 million. In addition, CG acquired an 18,857 sqm warehouse for €11.5 million.

The three separate transactions – two of which are logistics developments - made on behalf of one of its co-mingled funds - take CG’s investment in France since the start of 2018 to over €350 million.

In Reau, an established logistics location c. 40km southeast of Paris city centre, CG will fund the speculative development of an institutional quality, 68,642 sqm logistics warehouse, suitable for a range of tenants. Construction will commence in Q1 2020 and is expected to take approximately 12 months, with Nexity, one of the largest real estate services company in France, responsible for the development phase. Features will include modern, generic and flexible floorplates with clear heights of 11.5m.

Situated on the sought after A5 logistics park occupied by a number of national and international 3PLs and retailers, the property benefits from its close proximity to the A5 and A6 highways, key arterial routes serving the local Paris market and greater Ile-de-France region, which is home to 12.1 million inhabitants.

The second speculative development is located in Brebieres, where construction of a 69,134 sqm warehouse is underway, with practical completion due by Q4 2020. Goodman, one of the largest and most established logistics developers globally, is the developer. The modern, generic and flexible warehouse will feature clear heights of 11.5m.

The city of Brébières is strategically located within the main French logistics corridor, with 31.5 million people living within 200km, and sits within one of France’s densest road networks. The site is c. 7 km from the A1 highway, the main north/south arterial route leading to Lille and Belgium to the north and Paris to the south.

In a third French transaction, CG has acquired an 18,857 sqm warehouse from Amundi Real Estate, for €11.5 million, in Gevrey-Chambertin, close to Dijon. It is let on separate long leases to GEALAN Sarl, a window manufacturer, and global manufacturer JTEKT Automotive, serving as their primary French distribution hub. Gevrey-Chambertin lies on the French logistics corridor and benefits from its adjacency to extensive railway and motorway connections.

Alistair Calvert, CEO of Clarion Gramercy, commented:

“These are highly attractive development opportunities in core European logistics locations that meet our strict and disciplined investment criteria. Despite the strong investor interest in the sector, our 10+ year track record allows us to

leverage our local market origination expertise and partner with established developers to continue generating outsized returns for our investors, whilst maintaining a consistent rate of deployment.

“France is an increasingly attractive market and focus for the Clarion Gramercy team, as e-commerce penetration increases at a faster pace than in many other Western Europe markets and new supply struggles to keep up with growing demand.”

In April 2019, Clarion Partners, LLC, a leading US real estate investment management business, announced the acquisition of a majority stake in Gramercy Europe. The transaction combined Clarion’s leadership position in the US with that of the experienced Gramercy Europe team.

For Reau, Gramercy was advised commercially by BNP Paribas and legally by Herbert Smith Freehills. For the transactions in Brebieres and Dijon, Clarion Gramercy was advised legally by Herbert Smith Freehills.

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Clarion Partners, an SEC registered investment adviser with FCA-authorized and FINRA member affiliates, has been a leading U.S. real estate investment manager for more than 37 years. Headquartered in New York, the firm has offices in major markets throughout the U.S. and Europe. With \$53.6 billion in total assets under management, Clarion Partners offers a broad range of both debt and equity real estate strategies across the risk/return spectrum to its more than 350 domestic and international institutional investors.

For further information

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