

How Muchimmo works - General - Aviva Investors in £1.4bn Central London property partnership with Canadian pension fund

Date: 05 Nov 2015

Aviva Investors has formed a 50/50 joint venture partnership with the Public Sector Pension Investment Board (PSP Investments), one of Canada's largest pension investment managers, to invest in £1.4 billion of Central London real estate.

Aviva Life & Pensions UK has agreed to sell 50% of its stake in a portfolio of central London real estate to PSP. The portfolio of 14 prime assets is located across London comprising existing properties or those with planning consent, representing over one million square feet of space.

Aviva Investors will act as asset and development manager on the joint venture, which will focus on office and retail properties where Aviva Investors can use its specialist skills to realise value for the partners through active asset management and development. The initial portfolio comprises a mix of both stabilised income-generating assets and development opportunities in both the City and West End of London.

Ed Casal, Global CEO, Real Estate, Aviva Investors commented:

"We are delighted to enter into this strategic partnership with PSP Investments, an experienced and sophisticated long-term global investor. Aviva Investors has a strong pedigree in investing in prime Central London real estate assets and a background in delivering high profile developments. We are well positioned to implement a number of attractive development opportunities within the portfolio and look forward to working with PSP Investments and our Aviva client as we bring these to fruition.

"Conditions remain strong in the Central London office sector as robust occupier demand continues to put upward pressure on rents. Similarly, Central London shops continue to benefit from low vacancy, booming tourist numbers and extremely strong demand from international retailers."

Neil Cunningham, Senior Vice President, Global Head of Real Estate Investments, PSP Investments commented:

"We are pleased to partner with Aviva, a seasoned real estate investor with a deep understanding of the London market.

"This investment is consistent with PSP Investments' real estate strategy to invest in prime and dynamic city centres that we expect will outperform in the future, and is complementary to PSP Investments' existing portfolio in London."

Aviva Investors has over £31bn of real estate assets as at 30 June 2015. Aviva Investors' Global Real Estate team offers comprehensive market coverage, with specialist teams covering occupational and investment markets and dedicated in-house real estate strategy and research teams.

By William Peterson