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### **ABSTRACT LETTING COUP FOR RENAISSANCE CROYDON**

Abstract Securities is set to lease close to half of its Renaissance scheme in Croydon to the Pension Protection Fund in a significant vindication of its decision to speculatively develop the 100,000 sq ft headquarters, CoStar News can reveal.

PPF, the statutory fund set up in 2004 under the Pensions Act to deal with public concern over employee pensions, has gone under offer to take 39,396 sq ft across the first and second floors in what is understood to be the largest letting in Croydon for more than a decade.

It will move from Knollys House at 17 Addiscombe Road in Croydon and is thought to be paying close to the £22 per sq ft quoting rent on the basis of a 15-year unbroken lease.

PPF is understood to have also shortlisted Wainbridge's 112,329 sq ft Sunley House and CarVal Investors and Canmoor's redevelopment of Interchange Croydon, a 183,300 sq ft headquarters at 81-85 Wellesley Road, both of which are understood to have primarily missed out because they were unable to house the company across just two floors.

Abstract (Croydon Ltd), a wholly owned subsidiary of Mark Glatman's Abstract Securities, gained consent in April 2012 and has been speculatively developing the scheme – rebranded “Renaissance” – at 9-12 and 13-16 Dingwall Road next to East Croydon Station for completion this summer.

Bowmer & Kirland is contractor while Knight Frank and Vanessa Clark's Sinclair Clark have been marketing the scheme.

Abstract is financing the build cost of the scheme entirely from its own balance sheet and funding from a private third-party partner. Abstract went under offer to buy the NAMA controlled site out of receivership at the end of November 2011 for £3.2m.

The second part of the site - 13-16 Dingwall Road – had consent for a 17-storey, 250,000 sq ft office building. The other site – 9-12 Dingwall Road – is allocated for a circa 30,000 sq ft office development.

Abstract however replaced the proposals with a scaled back net 100,000 sq ft BREEAM 2011 Excellent scheme offering 20,000 sq ft floorplates and marketing at rents of £22 per sq ft.

Glatman, one of property's canniest investors, said the acquisition fitted with his principal focus at present on the development of 'austerity offices'.

Glatman argues that via a combination of tight design and procurement processes – especially in the purchase of land at the lowest point in the development cycle – Abstract will be able to significantly undercut the local alternatives for quality office space.

The strategy is being mirrored in Glasgow where Abstract acquired a 170,000 sq ft speculative office development opportunity at 301-303 St Vincent Street Glasgow out of receivership. The 1.5 acre site was owned by Castlemore Securities before the company went into administration in February 2009. Abstract is targeting rents there of £23 per sq ft to undercut the area's top rent of £28 per sq ft.

Established in April 2000 by former Akeler chief Mark Glatman, the Abstract group of companies brings together combined experience of over 6m sq ft of business space development across the UK and Europe.

CBRE advises the PPF while Knight Frank and Sinclair Clark advise Abstract.

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