

PILLAR ARE THE LEADING RETAIL PARK MANAGER 14TH JUNE 2001

Following a recent change in strategy, Pillar Property is by far the leading investment manager of Retail Parks in the UK with 4.5 million square feet under active management. Some way behind in second place is LaSalle Investment Management with 3.7 million square feet, although every one of the ten leading investment managers cover more than 2 million square feet of retail parks.

With new parks under construction and in the development pipeline, this analysis has concentrated on those developments completed by June 1st 2001.

The majority of Pillar's parks are actively managed for the Hercules Unit Trust, jointly owned with Equitable Life. Pillar jointly owns other parks through trusts and limited partnerships, and now directly or indirectly owns just under 3 million square feet of Retail Parks, leaving Land Securities as the leading direct owner with 3.4 million square feet of Retail Parks.

Rank	Owner / Investment Manager	sq ft (000,000)	sq m (000)
1	Pillar Property	4.49	417
2	LaSalle Investment Management	3.70	343
3	Land Securities	3.38	314
4	Prudential Property Investment Managers	3.30	307
5	Morley Fund Management	3.04	282
6	Hermes Property Asset Management	3.01	280
7	British Land	2.92	272
8	Standard Life Investments	2.33	217
9	Legal & General Investment Management	2.21	205
10	Grantchester	2.14	199
	All Retail Parks	78.91	7,330

The ten leading investment managers now look after 39% of the overall 78.91 million square feet of retail park floorspace. Most other leading investment managers also manage parks on behalf of other funds to share their expertise, so this analysis reflects not only parks owned directly and indirectly through limited partnerships and trusts but also parks under third party management.

These figures have been derived from detailed analysis of *The Definitive Guide to Retail & Leisure Parks - Shopping meets Leisure 2001*, which was recently published by FPDSavills Commercial and TW Research Associates.

PILLAR ARE ALSO THE LEADING RETAIL WAREHOUSE MANAGER

Widening the analysis to include free-standing retail warehouse units, such as B & Q, Currys and Halfords changes the picture dramatically, but still leaves Pillar Property as the leading investment manager with 4.8 million square feet. Some owners and, hence, investment managers, such as Pillar and Hermes, focus their investments on retail parks while others have a more balanced portfolio.

Rank	Owner / Investment Manager	sq ft (000,000)	sq m (000)
1	Pillar Property	4.83	448
2	Land Securities	4.71	438
3	Morley Fund Management	4.67	434
4	Prudential Property Investment Managers	4.50	418
5	Chartwell Land	4.41	410
6	LaSalle Investment Management	4.26	396
7	British Land	4.20	390
8	Hermes Property Asset Management	3.27	303
9	Legal & General Investment Management	2.83	263
10	Grantchester	2.82	262
	All Retail Warehousing	140.00	13,000

As ownership and management of retail warehousing is more widely spread than retail parks, the ten leading investment managers look after only 29% of the overall 140 million square feet of retail warehousing floorspace.

Land Securities jumps to second place with 4.7 million square feet and is again the leading direct owner. Chartwell Land, with 2.0 million square feet of retail parks supplemented by individual units including a large number of B & Q Warehouses, each of which is in excess of 100,000 square feet, forces its way to 5th position with a total of 4.4 million square feet. The seven leading investment managers each cover more than 4 million square feet of retail warehousing.

Just outside the top ten owners are Scottish Widows Investment Partnership and Standard Life Investments with 2.5 million square feet each under management, with no other manager looking after more than 2 million square feet of retail warehousing.

Trevor Wood of TW Research Associates said, "This analysis shows the growing concentration that has occurred in retail investment management over the last eighteen months, partly through mergers and partly due to the utilisation of the skills and expertise of successful property owners for the benefit of smaller funds."

Simon Hope, executive director at FPDSavills Commercial, added, " The retail warehouse market is witnessing a significant move in the ownership structures of the

country's retail park stock. Limited Partnerships, Property Unit Trusts and OEIC's are all being used or considered as leading managers such as Pillar consider the advantages, especially tax, which have precipitated this shift"

Richard Allsop, director at FPD Savills Commercial, concluded, " We foresee that this trend towards consolidation of investment management will continue as the specialists within the sector are able to generate added value."

The review is available for £195.00 from TW Research Associates, Tel: 01494 715846 or e-mail: twresearch@estatesgazette.net.

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We define a **Retail Warehouse Unit** as "high ceiling units generally, but not always, exceeding 10,000 sq. ft, typically found on Retail Parks, normally populated by DIY, Electrical or Furniture retailers"

We define a **Retail Park** as "a scheme of at least 30,000 sq. ft, comprising at least three retail warehouse units".

The Definitive Guide to Retail & Leisure Parks - Shopping meets Leisure 2001 was published by FPD Savills in conjunction with TW Research Associates and looks at both retail and leisure parks, listing tenants and other important information. Copies are available at £195 per copy within the UK, 325 Euros within Europe or \$325 outside Europe from Trevor Wood, TW Research Associates. Tel: 00 44 1494 715846.

Simon Hope is an executive director at FPD Savills Commercial specialising in the retail warehouse sector, advising on acquisition and purchasing of retail warehousing and also indirect property structures such as limited partnerships.

Richard Allsop is a director at FPD Savills Commercial in the Retail Warehousing department and advises most of the principal retail park managers on asset management strategy

Trevor Wood is a Retail Analyst with TW Research Associates and also edits **Going Shopping** and **The Definitive Guide to Retail & Leisure Parks - Shopping meets Leisure**.