

17 September 2003

**PILLAR REPLACED BY MORLEY AS LEADING  
RETAIL WAREHOUSE INVESTMENT MANAGERS**

Morley Fund Management and Prudential Property Investment Managers are the two leading retail warehouse investment managers in the UK according to FPD Savills and TW Research Associates' *Definitive Guide to Retail and Leisure Parks 2003*.

Morley Fund Management is the leading manager with 6.55 million sq ft (608,495 sq m) and Prudential Property are in second place with 5.78 million sq ft (536,962 sq m) under management. The two institutions have overtaken Pillar Property who held the title for the last two years.

The review, which is produced in conjunction with TW Research Associates, shows that Pillar Property now has 5.3 million sq ft (492,370 sq m) under active management, compared to 5.6 million sq ft (520,240 sq m) last year. The majority of managers in the top ten table have increased the size of their retail warehouse portfolios and now look after a combined 31.5% of the overall 152 million sq ft (12,120,800 sq m) of retail warehousing floor space which is up from 29.4% last year.

Standard Life Investments has significantly increased its retail warehousing ownership leaping from 11<sup>th</sup> to 5<sup>th</sup> place.

**Top 20 Retail Warehouse Owners / Investment Managers**

| Rank 2003 | Rank 2002 | Rank 2001 |   | Owner/Investment Manager                | 2003 Area - Million Square Feet | 2002 Area - Million Square Feet |
|-----------|-----------|-----------|---|---|---------------------------------|---------------------------------|
| 1         | 7         | 3         | ▲ | Morley Fund Management                  | 6.55                            | 4.29                            |
| 2         | 2         | 4         | ▲ | Prudential Property Investment Managers | 5.78                            | 5.15                            |
| 3         | 1         | 1         | ▼ | Pillar Property                         | 5.29                            | 5.59                            |
| 4         | 4         | 2         | — | Land Securities                         | 5.06                            | 4.85                            |
| 5         | 11        |           | ▲ | Standard Life Investments               | 4.76                            | 2.84                            |
| 6         | 5         | 7         | ▼ | British Land                            | 4.63                            | 4.43                            |
| 7         | 6         | 6         | ▼ | LaSalle Investment Management           | 4.16                            | 4.38                            |
| 8         | 10        |           | ▲ | Henderson Global Investors              | 4.15                            | 2.85                            |
| 9         | 8         | 9         | ▲ | Legal & General Investment Management   | 4.02                            | 3.36                            |
| 10        | 13        |           | ▼ | Capital and Regional                    | 3.42                            | 2.45                            |
| 11        | 9         |           | ▼ | Aberdeen Property Asset Managers        | 3.21                            | 3.24                            |
| 12        | 3         | 5         | ▼ | B & Q Properties (Chartwell Land)       | 3.06                            | 5.13                            |
| 13        |           |           | ▲ | ISIS Asset Management                   | 2.45                            | 1.52                            |
| 14        | 12        |           | ▼ | IKEA                                    | 2.43                            | 2.43                            |
| 15        | 14        |           | ▼ | Scottish Widows Investment Partnership  | 2.25                            | 2.41                            |
| 16        |           |           | ▲ | Insight Investment                      | 2.08                            | 1.43                            |
| 17        | 15        | 10        | ▼ | Hammerson (Grantchester)                | 1.97                            | 2.19                            |
| 18        | 17        | 8         | ▼ | Hermes Property Asset Management        | 1.93                            | 2.07                            |
| 19        | 20        |           | ▲ | Peel Holdings                           | 1.92                            | 1.53                            |
| 20        | 18        |           | ▼ | Threadneedle Property Investments       | 1.76                            | 1.55                            |
|           |           |           |   | All Retail Warehousing                  | 152.00                          | 147.00                          |

Source: TW Research Associates / FPD Savills – The Definitive Guide to Retail & Leisure Parks 2003

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Trevor Wood, principal of TW Research Associates, comments: 'The top twenty investment managers now look after 46.6% of total retail warehouse floor space compared to 43.9% last year. We foresee this trend towards consolidation of investment management will continue as the specialists within these sector are able to generate added value and economies of scale.'

In contrast to its fall in retail warehouse ownership, Pillar Property is still the leading investment manager of retail parks in the UK following the Chartwell Land sale in January and other investments deals in 2002 and early 2003. They now actively manage 5.2 million sq ft (483,080 sq m) which is almost exactly the same as last year. This can be attributed to Pillar's change in focus towards concentrating on premium retail parks.

### Top 20 Retail Park Owners / Investment Managers

| Rank 2003 | Rank 2002 | Rank 2001 |   | Owner / Investment Manager              | 2003 Area - Million Square Feet | 2002 Area - Million Square Feet |
|-----------|-----------|-----------|---|---|---------------------------------|---------------------------------|
| 1         | 1         | 1         | — | Pillar Property                         | 5.24                            | 5.20                            |
| 2         | 7         | 5         | ▲ | Morley Fund Management                  | 4.44                            | 2.56                            |
| 3         | 8         | 8         | ▲ | Standard Life Investments               | 4.23                            | 2.51                            |
| 4         | 2         | 4         | ▼ | Prudential Property Investment Managers | 4.16                            | 3.74                            |
| 5         | 4         | 3         | ▼ | Land Securities                         | 3.71                            | 3.47                            |
| 6         | 5         | 7         | ▼ | British Land                            | 3.53                            | 3.18                            |
| 7         | 10        |           | ▲ | Capital and Regional                    | 3.38                            | 2.45                            |
| 8         | 3         | 2         | ▼ | LaSalle Investment Management           | 3.30                            | 3.60                            |
| 9         | 12        |           | ▲ | Henderson Global Investors              | 3.21                            | 2.29                            |
| 10        | 9         | 9         | ▼ | Legal & General Investment Management   | 2.83                            | 2.49                            |
| 11        | 11        |           | — | Aberdeen Property Asset Managers        | 2.48                            | 2.39                            |
| 12        | 17        |           | ▲ | Peel Holdings                           | 1.71                            | 1.35                            |
| 13        | 20        |           | ▲ | Insight Investment (Clerical Medical)   | 1.63                            | 0.96                            |
| 14        | 13        | 10        | ▼ | Hammerson (Grantchester)                | 1.62                            | 1.72                            |
| 15        | 14        | 6         | ▼ | Hermes Property Asset Management        | 1.53                            | 1.69                            |
| 16        | 15        |           | ▼ | Scottish Widows Investment Partnership  | 1.37                            | 1.45                            |
| 17        |           |           | ▲ | JJ Gallagher                            | 1.33                            | 0.81                            |
| 18        | 16        |           | ▼ | Asda Property Holdings                  | 1.20                            | 1.39                            |
| 19        | 19        |           | — | Royal London Asset Management           | 1.20                            | 1.03                            |
| 20        |           |           | ▲ | ISIS Asset Management                   | 1.13                            | New                             |
|           |           |           |   | <b>All Retail Parks</b>                 | <b>90.47</b>                    | <b>85.59</b>                    |

Source: TW Research Associates / FPD Savills – The Definitive Guide to Retail & Leisure Parks 2003

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Martin Supple, head of FPDSavills' retail warehousing team, added: 'There have been significant changes amongst investment managers this year but we do not anticipate such dramatic movements when we review the market next year'.

The Definitive Guide to Retail and Leisure Parks 2003 can be purchased for £295 from TW Research Associates, [retail@twresearch.co.uk](mailto:retail@twresearch.co.uk), 01494 715 846.

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**For further information please contact;**

**Martin Supple, FPDSavills**

**Trevor Wood, TW Research Associates**

**Merilla Colovic, FPDSavills press office**

**Tel: 020 7409 4433**

**Tel: 01494 715 846**

**Tel: 020 7409 8940**

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