

# Jepson and Cope launch new firm

- » Ex-rivals form Ergo Real Estate
- » Backing secured from NFU Mutual

## Guy Montague-Jones

Two of the UK's most respected development professionals have teamed up to form a new company focused on value-add investment and development opportunities.

Martin Jepson, former president and chief operating officer at Brookfield Property Partners, and Chris Cope, who co-founded Grafton Advisors, have launched Ergo Real Estate.

Jepson said that they had known each other for many years and had "admired each other's projects as rivals".

Cope added that they saw an opportunity to launch a new business because the range of UK companies with the skills to pursue "top-grade" development was "pretty thin" compared with other markets.

"We believe there will be demand for our skillset in today's challenging market," he said.

Jepson and Cope have secured backing from insurance company NFU Mutual, which has set up a joint venture with Ergo called Aver Property. The venture will have £300m to pursue value-add and opportunistic acquisitions in London, the South East and other UK cities.

"Our new joint venture with Ergo provides us with a very exciting opportunity at this point in the property cycle to add further diversification to our property funds, through exposure to different types of assets and through managers with an undoubted track record," said Richard Topps, group head of property at NFU Mutual.

Individual investments for Aver are expected to range from £10m to £50m. It has already completed its first acquisition, buying 78,000 sq ft office building 2 Brindleyplace in Birmingham from Hansainvest for £29.25m, reflecting a

6.5% net initial yield. Built in 1997, the building is let to Lloyds Bank until March 2022.

Jepson described it as a "fantastic first acquisition" that would provide opportunities for "asset enhancement and rental growth".

Jepson and Cope are best known for their work in London's office market, but will also pursue acquisitions and developments in other sectors, including industrial and mixed use.

Jepson said he thought the next two years would be a good time to start investing. They will look for deals where they can drive rental growth through asset management and redevelopment.

Before joining Brookfield in 2011, Jepson was head of London at Hammerson. In his first year at Brookfield, the Canadian giant bought most of Hammerson's London office portfolio for £518m.

Cope was a founding partner of Grafton Advisors, now owned by GreenOak Real Estate.

Between them they have completed more than 10m sq ft of developments, mainly in central London.

## Westfield London puts on a show

A 3,000-capacity events venue is being built at Westfield London shopping centre in Shepherd's Bush.

Unibail-Rodamco-Westfield and Broadwick Venues have formed a partnership to develop the venue, called Exhibition London, in the heart of the new £600m extension.

The 34,000 sq ft, two-floor venue will be operated by

Broadwick Venues, owner and operator of Printworks London, and will host concerts, exhibitions, conferences, award ceremonies and community events.

It will open at the end of this year in the grade II-listed Dimco East building, which was originally an electricity generating station for London Underground.

