

Jepson's Ergo and BGO build £100m+ platform

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Equity from NFU and debt from BGO building big speculative development pipeline



- **What** Ergo's platform delivering 1.1m sq ft of logistics space
- **Why** NFU Mutual equity and debt from BentallGreenOak backing the project
- **What next** Four sites to be delivered in the next year

Ergo Real Estate is building a UK industrial platform with a gross development value north of £100m with backing from BentallGreenOak, *React News* can reveal.

Aver Property, a joint venture between NFU Mutual and Ergo which is fronted by the former UK head of Brookfield, Martin Jepson, has

completed the forward purchase of four sites with the intention of delivering a major industrial platform.

New platform over 1m sq ft

The joint venture partners plan to speculatively develop over 1.1m sq ft of logistics space across the four sites within the next year.

BentallGreenOak (BGO) has provided a £60m programmatic facility package to facilitate the build out and delivery of the portfolio.

Martin Jepson, founding partner of Ergo RE, says: “The completion of over 1.1m square feet of prime industrial space for Ergo in its third year of operation is a testament to our research led approach to investment, which enables us to target specific locations and opportunities in the logistics sector, it is the dominant investable sector of substance at this moment in time.”

The schemes are located in Middlewich (222,740 sq ft), Sheffield (191,500 sq ft), Oldham (367,160 sq ft) and Fradley (352,810 sq ft), totalling 1.13m sq ft of prime industrial space.

Aver funding agreement

Aver has agreed to fund the development at each scheme and the target for delivery is expected to be between Q1/2 2022.

Martin Sheridan, principal of UK debt at BGO, says: “We are delighted to support the Ergo and NFU real estate platform on their recent large scale logistics transaction. BGO have been highly active debt investors in the UK and European logistics market over the last two years.

“The COVID pandemic has accelerated certain behaviour’s which mean these assets are now in greater demand than ever. Our principal lending focus is on brand new state-of-the-art buildings, in close proximity to large conurbations and arterial transport routes – facets underpinning the subject portfolio. This programmatic facility allows Aver to build out and lease up multiple properties over the next 3 years, with an ability to upsize and expand the facility as new opportunities become available”.

James Jepson, investment executive at Ergo RE, says: “The new facility underpins our ambition to ensure maximum efficiency in reinvesting proceeds from previous property sales through the second generation of developments within the fund.”

Burbage Realty acted for Aver on Oldham and Fradley, M1 Agency acted on the Sheffield and Middlewich transactions. Peritus Group acted on the debt facility agreement between Aver and BentallGreenOak.