

## News Release

# Schroder Real Estate and BAE Pension Funds acquire the Sofitel London Gatwick

**3 October 2019**

Schroders has acquired the Sofitel Gatwick North Terminal on behalf of a joint venture between BAE Pension Funds, and Immobilien Europa Direkt, an investment vehicle of Zurich Investment Foundation managed by Schroders.

The Sofitel marks the 9th hotel transacted by Schroder Real Estate following the successful integration of specialist hotel investment management platform, [Algonquin Management Partners](#), acquired in May 2018. The transaction takes hotel assets under management to 51 assets, c.10,000 bedrooms, and a value of £2bn.

Occupying a prime location with direct access into the airport terminal, the hotel comprises 518 bedrooms with 565 parking spaces, five food and beverage outlets, 11 meeting rooms and 5,000 sq ft of office accommodation.

The hotel will continue to be operated by the previous owner, Arora Hotels, under a lease which provides a long term income from one of the leading hotel operators in the United Kingdom.

Gatwick Airport has experienced strong growth in passenger numbers in recent years and is expected to enjoy further growth in numbers over the next five years, boosted by the ongoing trend of increased global travel, as well as significant investment from the airport's owners.

As part of the transaction, the buyer was advised by CMS, Stephenson Harwood, Carey Olsen, Osborne Clark, and PWC. The seller was advised by Burges Salmon and Eastdil Secured.

### **Ben Ward, BAE Pension Funds, commented:**

*"This investment provides an attractive combination of increasing occupier demand as the airport expands capacity, but with relatively few supply threats. Schroders' deal structuring also worked particularly well for our risk averse investment strategy."*

### **Duncan Owen, Global Head of Schroder Real Estate, commented:**

*"We are delighted to enter into a JV with a compatible long term investor such as BAE Pension Funds. Acquiring the Sofitel London Gatwick hotel utilises Schroders' expert hotels platform, supporting attractive returns for both investors. This prime location has the potential to deliver long term income within a sector that provides defensive qualities in conjunction with upside potential through active management."*

### **Stéphane Obadia, Head of Investment at Schroder Real Estate Hotels, commented:**

*"We are thrilled by this acquisition, which combines our expertise in structuring creative investments together with partnering with experienced operators to acquire some of the most prime hotels in the best destinations throughout*

*the UK and Europe. With some exciting refurbishment works planned for the property, we will be happy to support the hotel in further developing the superior position it has gained in the Gatwick market."*



*Exterior Sofitel London Gatwick*



*Atrium Sofitel London Gatwick*

**--Ends--**

## **For further information, please contact:**

Nicole Carey

020 7658 4466

[Nicole.Carey@Schroders.com](mailto:Nicole.Carey@Schroders.com)

## **Note to Editors**

### **About Schroder Real Estate Hotels**

Schroder Real Estate Hotels, a division of Schroder Real Estate created following the acquisition of Algonquin Management Partners, has developed a dual expertise in the hotel management sector, both as an equity investor and as an independent hotel operator. With 48 hotels totaling 8,150 rooms and assets under management of €2.1 billion as at 30 June 2019, Schroder Real Estate Hotels is one of Europe's leading hotel investment and asset managers with operations in Paris, London and Brussels. With an international hotel team and a specialization in European hotel real estate, Schroder Real Estate Hotels supports its investment partners by participating directly in investments and supervising all operational issues specific to this asset class.

### **About Schroders**

As a global investment manager, we help institutions, intermediaries and individuals meet their goals, fulfil their ambitions, and prepare for the future. But as the world changes, so do our clients' needs. That's why we have a long history of adapting to suit the times and keeping our focus on what matters most to our clients.

Doing this takes experience and expertise. We bring together people and data to spot the trends that will shape the future. This provides a unique perspective which allows us to always invest with conviction. We are responsible for £444.4 billion (€496.6 billion/\$565.5 billion)\* of assets for our clients who trust us to deliver sustainable returns. We remain determined to build future prosperity for them, and for all of society. Today, we have 5,000 people across six continents who focus on doing just this.

We are a global business that's managed locally. This allows us to always keep our clients' needs at the heart of everything we do. For over 200 years and more than seven generations we've grown and developed our expertise in tandem with our clients' needs and interests.

Further information about Schroders can be found at [www.schroders.com](http://www.schroders.com).

Issued by Schroder Investment Management Limited. Registration No 1893220 England. Authorised and regulated by the Financial Conduct Authority. For regular updates by e-mail please register online at [www.schroders.com](http://www.schroders.com) for our alerting service.

\*as at 30 June 2019