

M&G REAL ESTATE TO PROVIDE £80 MILLION DEVELOPMENT FUNDING FOR MAJOR OFFICE SCHEME AT QUARTERMILE IN HEART OF EDINBURGH

- *One of the largest office speculative funding deals ever undertaken in Scotland*
 - *200,000 sq ft of offices being built and available to let*
 - *Expected to create 300-400 construction jobs over the period*

LONDON, 30 June 2014 – M&G Real Estate today confirms it is to provide £80 million of development finance for the Edinburgh city centre landmark development, Quatermile, owned by Moorfield Real Estate Fund III (MREFIII). The deal enables Moorfield Group and Quatermile to speculatively develop the remaining two offices in the development, Quatermile 3 and Quatermile 4. It is believed to be one of the largest speculative office funding deals to have ever been undertaken in Scotland.

Construction will begin on the seven-storey Quatermile 4 building in July 2014 and once finished will comprise 130,600 sq ft of office space, including 12,490 sq ft of retail accommodation. Completion of Quatermile 4 is scheduled for early 2016 with the development of the six-storey 72,991 sq ft Quatermile 3 office building to follow. It is expected to create between 300-400 construction jobs over the build period.

Master planned and designed by the award winning architectural practice Foster & Partners, the two buildings will provide 200,000 sq ft Grade A office space for over 2,000 people and will complete the office component at Quatermile. Companies locating to the mixed use development will sit alongside existing high profile commercial occupiers, including IBM, Investec and flight search business, Skyscanner.

Quatermile Managing Director Paul Curran, says: “The deal is excellent news for both Quatermile and Edinburgh. Construction of Quatermile 4 will commence in July this year making it the first speculative grade A office development to be undertaken in the city for a number of years. We are already seeing strong occupational interest and are working with our agents to secure lettings.”

John Fyfield, Director, Development at M&G Real Estate, adds: “We are very pleased to have secured the final office phase of this very successful urban regeneration project off-market. The commitment to speculatively develop these buildings ensures they will be delivered into a market where there is little competition.”

In September 2013 Moorfield Group acquired Quartermile on behalf of the Moorfield Real Estate Fund III.

Charles Ferguson Davie, Chief Investment Officer at Moorfield Group, concludes: “The level of investment is testimony to Quartermile’s continued momentum and also demonstrates the growing confidence in Edinburgh’s office and property market. Quartermile 3 and 4 will provide much needed Grade A office space that will undoubtedly contribute to the city’s ongoing economic development.”

M&G Real Estate was advised by Jones Lang LaSalle. Quartermile was represented by Edinburgh office of property agents Montagu Evans.

Quartermile’s retail portfolio includes Peter’s Yard, Sainsbury’s Local, Starbucks, Fitness Chicks, Pure Gym, Looking Glass Books, Edinburgh City Pads, Savour To Go and Malaysian restaurant Nanyang. It is also home to the UK’s first Marriott Residence Inn.

To find out more about pre-let opportunities at Quartermile Three and Four, and for further information on the development, please visit www.qmile.com

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More information on Quartermile

Quartermile was master-planned by architect Foster + Partners and is located on the site of the former Edinburgh Royal Infirmary. The development, which integrates 18th Century buildings with new build additions, is establishing itself as one of Edinburgh’s most desirable residential and business communities.

Quartermile is located in the very heart of Edinburgh with a wide range of cafes, shops and restaurants on its doorstep. Edinburgh University is situated on the edge of the development with Princes Street just a stone’s throw away. Waverley and Haymarket train stations are within walking distance and a bus to the airport runs along the perimeter of the development.

Once complete, Quartermile will comprise over 370,000 sq ft of Grade A office accommodation, 900 apartments, 55,000 sq ft of retail and leisure space, Hotel and seven acres of open landscaping. The entire development is expected to be completed in 2018.

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Quartermile’s residential offer also continues to thrive. Over 560 apartments have been sold to date and the development has experienced year on year increase in sales for three years, with growth expected to continue throughout 2014 and beyond.

The latest phase of new-build apartments, City Meadows, was unveiled in April offering a choice of 98 one, two and three bedroom apartments with a luxurious four-bedroom penthouse.

Once complete, Quartermile will comprise over 323,000 sq ft of Grade A office accommodation, 900 apartments, 108,000 sq ft of retail and leisure space and seven acres of open landscaping. The development is expected to be completed in 2018.

For further information please contact:

Rebecca Grundy – M&G Real Estate

Phone: 020 7548 3669

Email: Rebecca.grundy@mandg.co.uk

Paula Toole – Brand 8 PR on behalf of Quartermile

Phone: 0113 394 4583 or 07950 882202

Email: paula.toole@brand8pr.com

Notes to Editors:

About M&G Real Estate

M&G Real Estate is the real estate fund management arm of M&G and is one of the top 25 real estate fund managers in the world by assets under management, with over £18.4 billion invested in a broad spread of properties across Europe, North America and the Asia Pacific region (as of 31 March 2014). M&G Real Estate has a sector-leading approach to responsible property investment, and is committed to assessing and improving the sustainability performance of funds under management.

About Moorfield Group

Moorfield Group (Moorfield) is a UK real estate and related private equity fund manager, with some £2 billion currently under management through the Moorfield Real Estate Funds (MREFs).

Moorfield is the proactive asset, development, operational and financial manager of its Traditional (retail, office and industrial) and Alternative (healthcare, leisure and residential) real estate investments.

Moorfield directly acquires single or multiple assets, or indirectly invests through corporate vehicles, including joint ventures. Moorfield supports entrepreneurial management teams that want to grow their real estate businesses or that want to take specific advantage of market opportunities.

Moorfield also provides mezzanine and structured finance solutions where appropriate as well as acquiring debt whether related to single asset, multiple asset or corporate structures. For further information, visit: www.moorfield.com.

About Quartermile Management Services

Commercial and mixed use development experts with an experienced team who have a broad range of skills and knowledge. The team have managed and delivered a solid portfolio of mixed use, commercial, retail, industrial and residential projects across the UK.

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