

Sale of offices for 23 million pounds ‘shows confidence in UK’

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Beijing-based property developer ABP Group announced on Thursday the sale of the first two buildings in its 1.7-billion-pound (\$2.2billion) business park in East London's Royal Albert Dock.

British property group Strawberry Star made the 23-million-pound purchase, six months after the project broke ground in June. In addition, Strawberry Star has agreed to purchase three further office buildings on the business park. The five buildings together have 9,442 square meters of space.

ABP cites the sale as evidence of strong business activity in the United Kingdom, despite uncertainty around Britain's exit from the European Union.

"Confidence is high. We are delighted to have exchanged with Strawberry Star on the first buildings, this is a win-win for both companies," said John Miu, chief operating officer at ABP London.

Santhosh Gowda, chairman of Strawberry Star Group, said the deal is a "significant milestone" for his team. He said the buildings will be great additions to the company's property portfolio.

"This deal is a value addition to our brand equity because we have an established reputation of spotting growth trends," said Gowda.

He added that Strawberry Star is looking forward for a lasting partnership with ABP and "remain integral to the Royal Docks regeneration plan".

Strawberry Star will use the buildings to host its own employees and to lease to other companies.

The Asian Business Park project, which will transform 14 hectares near London City Airport into an office complex that will house several hundred companies, was revealed in 2013 by former London mayor Boris Johnson.

China's State-owned construction firm CITIC is the lead contractor on the project which, according to ABP, will create 30,000 jobs during the next decade.

Work on the first phase of construction, on an 11-hectare site, is set to end in 2019. The entire project should wrap up in 2026.

ABP's successful sale of its first buildings to Strawberry Star came at a time when Chinese buyers are making headlines for snatching up landmark London commercial properties. CC Land bought the Cheesegrater for 1.15 billion pounds in March, and China Resources Land bought 20 Gresham Street in May for 315 million pounds.

The latest figures from real estate agent CBRE show Chinese investors bought UK commercial property worth 4.5 billion pounds in the second quarter of 2017, a six-fold increase year-on-year.

ABP Group, which was founded in 2003, is privately-owned and has a record of investing in large regeneration projects. The Asian Business Park in East London is ABP's first overseas project.

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