- Press Release -

New Deal Set To Revive Edinburgh’s Caltongate

South African Investment-Led Consortium Agrees Multi-million Pound Investment Package

A multi-million pound deal has been agreed to revive the Caltongate project, one of Edinburgh’s most significant city-centre development sites.

An international consortium headed up by Artisan Real Estate Investors has agreed to buy the 640,000 sq ft site which lies at the heart of the Capital’s historic Old Town.

The deal has been agreed with Deloitte, which took over administration of the Caltongate site in 2009 following the collapse of the previous owner Mountgrange Capital. At the time, the project was set to create 2,000 jobs for the city, with a total investment of around £300 million.

Artisan brings together a powerful consortium of South African investors which is set to breathe new life into a project that has been dormant for more than a decade.

Shareholding partners include property developers Atterbury, who have a 20-year track record of delivering prestigious mixed-use developments across the southern hemisphere, and MAS plc., a listed real estate investment firm based in the Isle-of-Man, together with significant backers including Sanlam, one of South Africa’s leading financial service groups.

The consortium is spearheaded by Lukas Nakos, Artisan’s Managing Director. Welcoming the deal, he said: “Caltongate has remained the most prominent gap-site in Edinburgh’s city centre for more than a decade – a situation we now intend to change.

“The sheer size and scale of the site, lying at the heart of one of the world’s most historic city centres, offers unparalleled opportunities for a high quality development that can do justice to its unique and spectacular setting.

“Artisan will bring international investment to the table, coupled with the vision and commitment needed to complete what has already been started. We intend to work
in close partnership with the City of Edinburgh Council and a wide range of local stakeholders to move forward quickly with development plans in the New Year.”

Artisan will now develop detailed designs based on existing mixed-use consents, which were approved in 2008 by the City of Edinburgh Council. These include a modern 195,000 sq ft five-star hotel, with space for 211 bedrooms and an 18,000 sq ft conference centre, around 160,000 sq ft of premium office space, 30 new shops and cafes and 165 new homes.

Welcoming the deal, Cllr Tom Buchanan, Convenor of the City of Edinburgh Council’s Economic Development Committee, said: “The development of the Caltongate area has long been identified as a priority for the city and I look forward to working with Artisan to help progress their plans. This is Artisan's first venture into the UK and the fact they have chosen Edinburgh illustrates how attractive the city is for foreign investors.”

Chartered Surveyors Smith Cole Wright acted alongside Ron Persaud of Persaud & Co as property advisors to Artisan. Director of Smith Cole Wright, Fraser Smith, added “This is a long overdue opportunity to revitalise a strategic city centre location between Waverley Station and the Scottish Parliament – whilst being part of the very fabric of the historic heart of the city. The location is the missing piece of the jigsaw which will see the rejuvenation of the Old Town as a vibrant commercial and social quarter of international appeal”.

“We believe this is an excellent time to be investing in a quality development and investment opportunity for Edinburgh city centre. While we have always enjoyed high levels of interest from international hotel chains in the city centre, there is now a subtle shift in the city’s commercial property market indicating a growing demand for high quality office accommodation, with very little Grade A stock in the pipeline.”

John Reid, a partner in Deloitte’s restructuring services team, said: “Caltongate is a prestigious site with great potential. This deal is extremely good news for Edinburgh and an indication of the value of this historic area as not just a prime real estate investment site, but also as an important part of the city’s heritage.”

Artisan has approached the City of Edinburgh Council to acquire certain Council-owned assets that are required to deliver the consented development. This will be debated at full Council on 22 December 2011.

The original scheme behind the Caltongate project was first unveiled in 2001, gaining planning consent the following year. In 2004, the site was sold to London-based developer Mountgrange Capital which opted to develop more expansive plans, approved in 2008. The company collapsed in 2009, leaving Caltongate in the hands of administrator Deloitte until the deal with Artisan.
Notes to Editors

1. **Artisan Real Estate Investors** [www.artisanrei.com](http://www.artisanrei.com)

Artisan is a shareholding partnership between the Sanlam Group, a major South African financial services firm (through its business unit Sanlam International Investment Partnerships), the Argosy and Attventure Groups and Salt Properties Limited in the Isle of Man. The organization was founded in 2008 in the Isle of Man and has fast grown to become a niche provider of property investment advisory services. Investments to date include:

- **MAS plc** is a real estate investment company that has been established to invest in the high quality office, retail, and industrial and other property sectors initially in the UK, Germany and Switzerland. The Company’s objectives and investment strategy are aimed at investors seeking European commercial property opportunities that yield stable returns and portfolio diversification.

- **Bishopsgate Student Residential Limited** is a syndicated student residential development in the vibrant centre of Birmingham City. With three major universities in close proximity, the 167 bed scheme is scheduled to complete in time for the autumn intake of students in September 2012.

2. **Atterbury Property** [www.atterbury.co.za](http://www.atterbury.co.za)

Leaders in property development and ownership since 1994, Atterbury Property are the partner of choice both in areas of development and investment to the top South African financial institutions as well as other leading industry players. With offices in Pretoria and Johannesburg the company develop and/or owns high quality office developments, regional shopping centres, residential lifestyle estates, industrial parks and leisure developments across South Africa and the southern hemisphere. Recent developments include Bagatelle, the Mall of Mauritius which opened in September in 201, the Cape Gate Shopping Precinct in Cape Town and Centurion Mall in Pretoria.
Sanlam is leading financial services group in South Africa. The company’s head office is in Bellville near Cape Town and celebrated its 90th birthday in 2008. In nine decades Sanlam has set benchmarks for wealth creation, innovation and empowerment in South Africa. The company has offices throughout South Africa and also has business interests elsewhere in Africa, Europe, India, Australia and the USA. The Group demutualised in 1998 and Sanlam Limited then listed on the JSE Limited in Johannesburg and the Namibian Stock Exchange. The Sanlam Group conducts its business through Sanlam Limited, the corporate head office and four business clusters. The corporate head office is responsible for the Group’s centralised functions such as strategic direction, financial and risk management, marketing and communications, Group human resources and corporate social investment (CSI).