

Shard's builders still thinking big in London

The father and son behind the creation of the tallest tower in London have linked up with a hedge fund to finance a new wave of development.

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James Sellar, the son of Irvine Sellar, who developed the Shard, has set up Opus Real Estate with Mansard Capital, a hedge fund and "alternative asset manager" founded by Leon Diamond.

Opus is looking for institutions willing to invest at least £1 million apiece, which will be invested in fresh residential and mixed-use opportunities in the capital.

James Sellar is the driving force behind the fund, which has so far had a "soft launch". However, he said he expected that his father would sit on the investment committee when the fund reached a critical mass.

Irvine Sellar started out selling floral bell-bottom jeans on Carnaby Street in the 1960s but has been active in property for decades. He has made his name in the sector after doggedly pursuing his goal of creating a "shard of glass" next to London Bridge station, a dream that was eventually fulfilled only with the backing of deep-pocketed Qatari investors.

The Opus Fund will not have exposure to any existing assets developed by Sellar Property, such as the Shard and the neighbouring News Building, which is home to The Times, or its mixed-use project with Royal Mail in Paddington. However, it will have access to other residential and mixed-use projects in Sellar Development's pipeline as well as seeking out new opportunities.

"Mansard is the investment manager and we will go out to find the sites and try and match them to the right investors [in the fund]," James Sellar said.

"We have a pool of investors and an agreed investment profile and will look to find the best opportunities."

Mansard was founded by Mr Diamond in 2010 and has already launched at least four funds but has not had any real estate exposure so far, which is why it has teamed up with Mr Sellar.

"They are not property people but we are, so that is the synergy," he said.

Opus is seeking £300 million and is targeting a return of between 12 per cent and 14 per cent.

Mr Sellar, who will co-invest and receive a development management fee as well as a share of any potential profits, said that he would look for sites where his expertise in gaining planning permission could add "significant value".

In particular, Opus will focus on mixed-use investments, with a substantial proportion of mid to high-value residential, in London's central zones, which are close to large-scale infrastructure, such as stations or future Crossrail sites.

After its development of the Shard, which towers over London Bridge station, the Sellar group has gained

renowned expertise in securing planning for, and executing, complex projects.

"The property market is slowing but there is still good growth and value out there," said James Sellar, who studied urban estate management at the University of Westminster and started his career at CBRE, a large property consultancy.

"There are sites that we are looking at where we can create the real value through planning," he said.