

OpenVoiceNews U.K.

Transparent. Unbiased. Yours.

Starwood Capital Drives £281 Million Securitisation with Prime UK Industrial Portfolio

June 27, 2025

– Categories: Real Estate



Starwood Capital Group has announced the successful launch of a £281 million securitisation transaction secured against a £400 million portfolio of prime industrial and logistics assets located across England. The transaction, arranged by Bank of America, follows Starwood's acquisition of the Balanced Commercial Property Trust (BCPT) last year for £673.5 million in cash, underscoring the firm's strategic commitment to the UK industrial real estate sector.

The securitisation vehicle, Taurus 2025-3 UK DAC, is structured around a floating-rate loan backed by a portfolio comprising 14 industrial and logistics properties and one retail park. These assets span key regional hubs including the Midlands, Northwest, and Southeast, collectively offering approximately 2.9 million square feet of gross lettable area. The portfolio currently maintains a strong occupancy level of 95.1%, with 51 tenants generating £21.7 million in gross rental income and £21.5 million in net operating income.

The loan facility is divided into two components: a £271 million tranche with a 68% loan-to-value (LTV) ratio, intended to refinance existing debt and cover corporate expenses, and a £10 million capital expenditure facility to fund £14.2 millions of planned asset enhancements during the loan term. Independent valuations conducted by Cushman & Wakefield as of 21 March 2025 appraised the portfolio at £398.8 million on an aggregate basis, increasing to £416.3 million if transacted as a single portfolio, reflecting a conservative day-one LTV ratio of approximately 70%.

Bluebird Subholdco, a Guernsey-registered entity controlled by Starwood, is the borrower. CBRE Loan Services serves as the servicer and special servicer, while Brightbay Management Services is responsible for asset management. The portfolio benefits from a diversified tenant base, with the largest single tenant Kimberly Clark occupying a 361,604 square foot warehouse at Revolution Park in Chorley. No other tenant represents more than 9% of total gross rental income.

This transaction takes place amid a resurgence in the European Commercial Mortgage-Backed Securities (CMBS) market in 2025, characterized by increased deal volumes and tighter pricing amid easing interest rates. Earlier in the year, Citibank arranged an £840 million CMBS issuance secured against Blackstone Real Estate Partners' UK industrial assets, highlighting sustained investor appetite for logistics property-backed debt.

Starwood Capital's securitisation exemplifies the continued attractiveness of UK industrial real estate as a stable and income-generating asset class. It also demonstrates how sophisticated capital markets solutions can be leveraged to optimise portfolio liquidity while supporting ongoing asset management and growth initiatives.