

Commercial Estate Sale

In November 2017, we announced the sale of our Commercial Estate business in England and Wales, made up of around 5,200 properties which are not essential for running the railway. The majority of these are converted railway arches.

We have now completed the sale with Telereal Trillium and Blackstone Property Partners. The new trading company is called The Arch Company.

Both parties have long and successful track records of operating large commercial estates across the UK and have adopted a 'tenants first' approach, cemented in a tenants' charter. This offers a commitment to engage with all tenants and communities in an open and honest manner, and adhering to a set of principles in the management of the portfolio.

Proceeds from the sale will help to fund the Railway Upgrade Plan, which is improving and growing the rail network for the benefit of passengers and the wider UK economy, reducing the need for taxpayers to fund the railway.

FAQs

What was included in the sale?

Around 5,200 properties in England and Wales, the majority of which are railway arches. The sale also includes the business management platform.

Properties in Scotland and those that have an ongoing requirement to support the running of the railway are not included in the sale.

Why has the Commercial Estate business been sold?

Our role is to run, improve and grow the railway and owning a non-core property asset like the Commercial Estate isn't essential to that. The sale will generate £1.46 billion which will help fund the Railway Upgrade Plan – the biggest investment programme in the railway since Victorian times. This means we can deliver planned improvements without placing an extra burden on the public purse.

The sale will also allow the new owner to invest in and nurture the estate to its full potential and enable Network Rail to focus even more on our core business of running a safe and growing railway.

What are the new owner's plans for the estate?

Telereal and Blackstone, who will hold equal ownership stakes, intend to be long-term owners of the estate. Telereal will oversee the day-to-day property management of the portfolio.

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What will happen to the tenants whose properties are included in the sale?

All leases, agreements, notice periods and protections have been transferred to the new owners. The new owners are obliged to meet all current obligations to tenants.

What does the sale mean for the maintenance of the railway?

The sites have been sold on a 150-year leasehold basis and Network Rail will retain access rights for the future maintenance and operation of the railway. The sale will not impact on: the safe and efficient running of the rail network, train operating companies, freight operating companies or other operational partners.

Where are the sites located?

Network Rail has Commercial Estate sites across Britain, however properties located in Scotland are not included in the sale.

Is it just Scotland or are there other properties in England and Wales that are not included in the sale?

A small number of sites outside of Scotland will be retained if they did not meet the criteria for inclusion in the sale e.g. where they have an ongoing requirement to support the running of the railway.

Network Rail has a team in place to manage any retained assets, including those in Scotland.

How have you informed tenants and stakeholders about these changes?

We have communicated with our tenants and stakeholders, providing information on the sale, the new owner, next steps and where to find out more information.

How do people find out more?

Anyone who has any questions or would like more information can get in touch on the contact details below:

Email: CommercialEstateSale@networkrail.co.uk

Phone: 0800 916 8895

How do I contact The Arch Company?

Visit: www.thearchco.com

Email: info@thearchco.com

Call: 0800 830 840