

Ritblat puts a spoke in plan to clear Plantation

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The property company headed by Jamie Ritblat has blocked plans to sell One Plantation Place in the City, but a sale could still go ahead next year as bondholders battle for control of the development.

The building was developed by Mr Ritblat's father, Sir John Ritblat, when he was chief executive of British Land.

Delancey voted against an "orderly sale" next year to repay the debt early. The sale was proposed as part of a restructuring plan for the building, which has breached a number of covenants on its £448.6 million of debt since losing nearly a quarter of its value during the property downturn. Refinancing has been hindered as the break costs on hedging arrangements total an additional £42.3 million.

Delancey only narrowly blocked the vote by 1 per cent yesterday, while the majority of the bondholders voted in support of selling the building — the headquarters of Royal & SunAlliance.

Brookland Partners, the real estate financial adviser, which drew up the proposal on the behalf of Plantation Place's owners, said that it would push ahead with plans to sell the building. Nasser Hussain, managing partner of Brookland Partners, said: "We are increasingly witnessing in the commercial mortgage backed securities (CMBS) markets how minority opportunistic investors, many of whom are not traditional CMBS investors but have acquired their holdings in the secondary market on a speculative basis, can block the intentions of the majority of investors."

Mr Hussain added: "We consider we have an informal mandate to sell the building and will proceed with this in the new year."

GM Real Estate has been instructed to start marketing the building next year.