In brief

Workspace occupancy rises
Flexible business space provider Workspace this week reported marginal increases in occupancy, rental income and the value of its portfolio in the three months ended 30 June. Like-for-like occupancy increased 0.9% to 84.9% during the period, with total occupancy increasing a similar amount. It now stands at 83.7%.

Extension granted for €600m La Défense tower loan
German bank pbb Deutsche Pfandbriefbank has renewed and extended the €600m (£504m) acquisition and development financing of the Tour First tower in La Défense, Paris, for Beacon Capital Partners. The financing facility was provided in June 2007 to finance the joint venture agreement between Beacon and AXA, including the joint redevelopment of the tower.

Official listing for Raven
Anton Bilton's Raven Russia, the AIM-listed warehouse developer, expects to swap its share listing from the AIM market to the Official List on 2 August. This week the company announced the results of its offer to warrantholders, and said 3[illegible] warrants had been surrendered and 26m exchanged for ordinary shares.

Pair of retail sales in W1
Two retail units at 11/12 Old Bond Street, W1, let to Damiani International and Swatch Trading as Omega with 3,500 sq ft offices above, have been sold by clients of David Menzies Associates. The passing rent was £605,000 and the purchase price paid was £18.2m, reflecting a net initial yield of 3.15%. The overseas purchasers were advised by Ereira Mendoza.

NAV rise for Standard Life
Standard Life Investments Property Income Trust has posted a 2.9% increase in net asset value per share to 61.3p in the quarter to 30 June. The company said it had borrowings of £84.4m and a cash position of £23.7m.

Analysts divided over benefits of proposed FCPT and UKCPT merger

MIKE PHILLIPS

The opinions of investment trust analysts in research released this week were split on the benefits of a proposed merger that would create the UK's sixth-largest listed property company.

Notes from Numis, Cenkos and Charles Stanley – none of which is advising on the deal – stressed that the decision was marginal as to whether minority shareholders should vote to approve the proposed merger of the F&C Commercial Property Trust and the UK Commercial Property Trust.

The merger would create a company with a market capitalisation and property portfolio of around £1.6bn. Ignis, which manages the UKCPT, would manage the new vehicle, meaning F&C REIT, which manages the FCPT, would lose its biggest management contract. Minority shareholders will vote on the proposal on 9 August.

Both managers have been locked in an increasingly acrimonious battle, claiming that they will offer shareholders lower management costs and improved service.

Numis said that although it thought minority shareholders should vote against the merger, they probably would not, because the independent boards of both trusts have approved the merger.

"The arguments in favour of the merger are not compelling and the key beneficiary is likely to be Ignis at the expense of F&C REIT," said Numis.

"Nevertheless, Ignis still holds the upper hand as shareholders tend to vote alongside board recommendations and may be keen to support consolidation within the industry."

Cenkos said it was uncertain as to whether the new vehicle managed by Ignis would pursue an active asset management strategy, and what benefits this might have, and that the deal "didn't stack up" for minority shareholders.

"Ignis has a substantially smaller asset management capability than F&C REIT, with a large proportion outsourced. When asked about this, their reaction was to play down the importance of asset management.

"That's an unusual point of view for a property fund manager, and whether you agree or not, it seems to us to be a key point of differentiation between the current and proposed manager of the FCPT portfolio."

But Charles Stanley said: "The decision is marginal, but FCPT shareholders should vote in favour to benefit from better dividend cover and lower fees being charged on the combined fund, and UKCPT shareholders should vote in favour to benefit from the quality portfolio of assets they would then own following the deal."

Royal property portfolio rakes in extra 8%

The value of the Duchy of Lancaster, which comprises [illegible] acres across England and Wales, has risen almost 8% to £348m.

The Queen's national property portfolio, which provides the monarch with a private income, posted the increase in its results to 31 March 2010.

It also announced plans for a number of new developments across the estate, which in 2009 dropped in value by £75m – or around one-fifth – to £322m.

The company made a profit of £13.3m – matching that of the previous year – which is delivered to the Keeper of the Privy Purse.

Net operating income of £12.9m was down 7.8% from an "exceptional" £13.9m in 2009, according to chief executive and clerk of the council Paul Clarke CVO. Total gross income was £17m.

ELL BROWN

↑ Savoy Chapel: part of the Duchy of Lancaster's Savoy Estate

The Duchy's commercial property portfolio, which accounts for 43.2% of the estate's total value, rose from £118m in 2009 to £150m.

Debt increased from £6m to £31m due to a £25m unsecured loan used to buy the Tower Bridge Business Park in London.

In its Savoy Estate (pictured, above) – the single most valuable block of property in the Duchy of Lancaster – the company has teamed up with Greycoat to undertake a 35,000 sq ft office scheme at Wellington House on the corner of Strand and Lancaster Place, WC2.

Clarke said the company was working on design and viability work and was planning to bring forward the scheme to take advantage of the lack of supply in the West End office market in 2012/2013.