

# ITEM NO: 5(d)

## GREATER MANCHESTER PENSION FUND

### PROPERTY WORKING GROUP

29 January 2010

Commenced: 11.00am

Terminated: 12.20pm

Present: Councillor Whitley (Chair)  
Councillor Baldwin  
Councillor Doubleday  
Councillor Sweeton  
Councillor Walton  
Mr Mulryan  
Mr Thompson  
P. Morris Executive Director of Pensions  
S Taylor Head of Pension Fund Investments  
R Grainger Pension Fund Legal  
C Lofstedt Head of Property Investments  
T Boyle Head of Pension Fund Accountancy  
P Hughes Pension Fund Accountancy

Apologies for absence: Councillors K Quinn and Pennington

#### 9. DECLARATIONS OF INTEREST

There were no declarations of interest.

#### 10. MINUTES

The Minutes of the proceedings of the meeting of the Property Working Group held on 30 October 2009 were approved as a correct record.

#### 11. PENSION FUND PROPERTY PORTFOLIO

The Head of Property Investments attended the meeting and presented a report which advised Members of the principle issues relating to the property portfolio together with comments on the property investments market generally.

He began by stating that the first six months of 2009 property values continued to fall, but began to rise in the second half of the year and November 2009 was marked by an astounding leap in performance, showing the highest monthly return for more than 15 years. Overseas investors were also active, particularly investors from Germany and latterly from the Middle East.

It was reported that occupier markets remained weak, enabling enterprises which had weathered the recession and were financially sound to strike deals that would have been unheard of hitherto, particularly in the retail sector where shop vacancy rates were comparatively high, particularly in shopping centres.

It was further reported that despite the remarkable recovery in investment values the market remained thin with trading volumes sparse albeit more numerous than earlier in 2009.

It was concluded that if property market remained stable into the second half of 2010 there was reason to hope that banks would feel confident enough to bring some of their holdings to the market.

## **12. PROPERTY AGED DEBT FOR NINE MONTHS TO 31 DECEMBER 2009**

Consideration was given to a report of the Executive Director of Pensions which summarised the Aged Debt for the Fund as at 31 December 2009 and compared it to the position as at 30 September 2009.

The value of aged debt at 30 September 2009 was £6.4million, this figure was updated at the meeting to £1.7million and that a large proportion of this was over 150 days old.

### **RECOMMENDED**

**That the report be noted.**

## **13. GREATER MANCHESTER PROPERTY VENTURE FUND**

The Working Group received a presentation from Mr Masters on behalf of GVA Grimley LLP in respect of the quarterly report.

He began by detailing recommendations in respect of the current assets managed by GVA Grimley on behalf of the Fund as follows:

With regard to 1 St Peter's Square (Elisabeth House) Manchester, the planning application for the scheme was submitted in November 2009 and it was expected that it was due to be considered by Manchester City Council's Planning Committee in February 2010.

At Stalybridge West, Tameside, preliminary discussions had taken place with a retailer who had expressed an interest in relocating to the site.

At Martland Park, Wigan it was reported that negotiations with Fiat had collapsed following their franchisee's decision to trade from an existing premise. It was recommended that development proposals be worked up for industrial development, ready for an improvement in the market.

Continued dialogue with Wigan MBC was continuing with regard to land at Westwood Park, Wigan.

At Old Haymarket, Liverpool, pending a review of alternative development proposals for this city centre site, a preferred car parking operator had been selected to continue to operate a surface car park.

Standing investments were then detailed at: Kings Point, Oldham; Globe Park, Moss Bridge Road, Rochdale; Milk Street, Hyde and Unity House, Westwood Park, Wigan.

Potential opportunities were also discussed within the Greater Manchester area and the North West generally. The potential investment pipeline was growing in line with the Fund's policy to increase its exposure to property.

The Chair formally thanked Councillor Baldwin for his assistance with regard to his liaison with Wigan MBC on Westwood Park, Wigan Martland Park, Wigan.

The Head of Pension Fund Legal reminded the meeting of the views expressed by the Advisers at the GMPF Advisory/Management Panel meeting held on 20 November 2009 (Minute 63 refers) namely that the Fund should increase its exposure to property generally and specifically the Fund should give consideration to the purchase of agricultural/farmland. As a consequence GMPVF was seeking to increase its landholding in the North West and was in negotiation for the purchase of farmland in Mottram, Tameside and at Davenport Green, Trafford. GMPVF would continue to pursue this policy.