# Starwood Capital's West End estate sale signals shift towards retail and hospitality focus



Starwood Capital has initiated the sale of the St Christopher’s Place mixed-use estate in London’s West End, aiming to realise value from a property trust it acquired at a discount to net asset value (NAV). The U.S.-based opportunity fund manager appointed Eastdil Secured and Savills to market the estate, which comprises 172 units across 40 buildings, predominantly located along a pedestrianised street just off Oxford Street. At the time of Starwood’s purchase, the estate was 98% leased, with a tenant mix of 41% food and beverage units, 23% retail, 21% residential, and 15% offices.

The sale will serve as a key test for the market’s appetite for mixed-use schemes where the primary income stems from retail and hospitality, particularly as recent buyer interest has been strong in West End office assets. Criterion Capital, led by Asif Aziz, has been reported to show interest in acquiring St Christopher’s Place for over £200 million, with the potential transaction expected during summer 2024.

Starwood acquired the estate through its purchase of the Balanced Commercial Property Trust (BCPT) in September 2024, a £674 million deal that valued the entire trust at a 9% discount to its NAV but represented a 25% premium over BCPT’s average share price for the three months before the sale announcement. BCPT’s portfolio, spanning about 4 million square feet, was valued at approximately £930 million and was diversified across industrial (35%), offices (20%), retail (20%), retail warehouses (14%), and alternatives (11%). The St Christopher’s Place asset alone accounted for a valuation of roughly £230 million at the time of acquisition, indicating that its sale could recoup around 40% of Starwood’s total outlay on BCPT in one transaction.

BCPT’s journey to this point began with the company's strategic review launched in April 2024, triggered by its shares trading at an average 36% discount to NAV over the preceding year. The board of BCPT explored various options including a managed wind-down of the portfolio, piecemeal asset sales, or a full disposal of the company’s shares or assets. Ultimately, the decision was made to sell the entire trust to Starwood, providing shareholders with an immediate cash value reflecting a 21.5% premium to BCPT’s closing share price prior to the offer, though at a discount to the underlying NAV.

Industry analysts suggest that Starwood’s acquisition and subsequent sale of key assets like St Christopher’s Place underline its strategic approach to unlocking value from diversified UK property portfolios amid challenging market conditions for listed real estate trusts. The balance between retail, hospitality, residential, and office exposures in such mixed-use estates presents both opportunity and risk, particularly given evolving high street dynamics and shifting commercial real estate demand.

In a broader context, Starwood Capital continues to expand its real estate footprint, as demonstrated by its other recent US-based acquisition of Fundamental Income Properties for approximately $2.2 billion. These moves are part of Starwood’s ongoing strategy to capitalise on opportunities across various sectors and geographies, leveraging its investment and operational expertise within commercial real estate.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.bisnow.com/london/news/capital-markets/starwood-plots-275m-west-end-sale-from-company-bought-at-a-discount-131017), [[2]](https://www.bisnow.com/london/news/capital-markets/starwood-plots-275m-west-end-sale-from-company-bought-at-a-discount-131017)
* Paragraph 2 – [[1]](https://www.bisnow.com/london/news/capital-markets/starwood-plots-275m-west-end-sale-from-company-bought-at-a-discount-131017), [[2]](https://www.bisnow.com/london/news/capital-markets/starwood-plots-275m-west-end-sale-from-company-bought-at-a-discount-131017)
* Paragraph 3 – [[1]](https://www.bisnow.com/london/news/capital-markets/starwood-plots-275m-west-end-sale-from-company-bought-at-a-discount-131017), [[2]](https://www.bisnow.com/london/news/capital-markets/starwood-plots-275m-west-end-sale-from-company-bought-at-a-discount-131017), [[3]](https://www.ukreiif.com/investment-news/balanced-commercial-property-starwood/), [[4]](https://www.sharecast.com/news/risers-and-fallers/ftse-250-movers-balanced-commercial-surges-on-starwood-cap-agreed-bid--17422046.html), [[6]](https://www.sharecast.com/news/news-and-announcements/starwood-capital-to-buy-balanced-commercial-property-in-pound673m-deal--17416982.html)
* Paragraph 4 – [[1]](https://www.bisnow.com/london/news/capital-markets/starwood-plots-275m-west-end-sale-from-company-bought-at-a-discount-131017), [[2]](https://www.bisnow.com/london/news/capital-markets/starwood-plots-275m-west-end-sale-from-company-bought-at-a-discount-131017), [[5]](https://www.costar.com/article/1942123663/starwood-agrees-6735-million-takeover-of-balanced-commercial-property-trust)
* Paragraph 5 – [[1]](https://www.bisnow.com/london/news/capital-markets/starwood-plots-275m-west-end-sale-from-company-bought-at-a-discount-131017), [[2]](https://www.bisnow.com/london/news/capital-markets/starwood-plots-275m-west-end-sale-from-company-bought-at-a-discount-131017), [[3]](https://www.ukreiif.com/investment-news/balanced-commercial-property-starwood/), [[4]](https://www.sharecast.com/news/risers-and-fallers/ftse-250-movers-balanced-commercial-surges-on-starwood-cap-agreed-bid--17422046.html)
* Paragraph 6 – [[7]](https://www.reuters.com/legal/transactional/starwood-property-buy-fundamental-income-properties-about-22-billion-2025-07-16/)

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.bisnow.com/london/news/capital-markets/starwood-plots-275m-west-end-sale-from-company-bought-at-a-discount-131017> - Please view link - unable to able to access data
2. <https://www.bisnow.com/london/news/capital-markets/starwood-plots-275m-west-end-sale-from-company-bought-at-a-discount-131017> - Starwood Capital has listed the St Christopher’s Place mixed-use estate in London's West End for sale, aiming to capitalise on a property trust it acquired at a discount to net asset value. The estate comprises 172 units across 40 buildings, predominantly along a pedestrianised street, and was 98% leased at the time of purchase. The portfolio includes 41% food and beverage units, 23% retail, 21% residential, and 15% offices. In summer 2024, Asif Aziz’s Criterion Capital expressed interest in purchasing St Christopher’s Place for over £200 million. The sale will test the market's appetite for mixed-use schemes where the majority of income derives from shops and restaurants. Starwood acquired the portfolio by purchasing the company that owned it, the listed Balanced Commercial Property Trust, and its entire 4 million square foot estate for £674 million in September 2024. This price was 25% above the company’s average share price for the three months prior to its sale announcement but represented a 9% discount to its net asset value. BCPT initiated a strategic review in April 2024 after its shares traded at an average 36% discount to net asset value over the preceding year. The company considered selling assets individually but ultimately sold the entire company to Starwood. The portfolio was valued at approximately £930 million. A sale of St Christopher’s Place would recover 40% of Starwood’s investment in Balanced Commercial Property Trust in a single transaction. The asset was valued at about £230 million when Starwood acquired the company. The company's overall portfolio comprised 35% industrial assets, 20% offices, 20% retail, 14% retail warehouses, and 11% alternatives.
3. <https://www.ukreiif.com/investment-news/balanced-commercial-property-starwood/> - Balanced Commercial Property Trust (BCPT) accepted an all-cash offer from Starwood Capital, valuing the FTSE 250-listed trust at approximately £673.5 million. Shareholders will receive 96p per share, reflecting a 21.5% premium on the trust’s 12 April closing price of 79p per share. Despite this premium, the offer is at an 8.7% discount compared to the net asset value per share of 105.1p reported by BCPT as of 30 June. BCPT’s Board initiated a strategic review in April, considering various options, including a managed wind-down of the portfolio and the partial or full sale of BCPT's share capital or assets. The acquisition by Starwood Capital is seen as providing shareholders with an immediate and attractive cash value, marking a clear outcome following the comprehensive strategic review.
4. <https://www.sharecast.com/news/risers-and-fallers/ftse-250-movers-balanced-commercial-surges-on-starwood-cap-agreed-bid--17422046.html> - Balanced Commercial Property Trust (BCPT) agreed to be acquired by private investment firm Starwood Capital for £673.5 million. Under the terms of the agreement, BCPT shareholders will receive 96p per share in cash, representing a premium of around 21.5% to the closing share price of 79p on 12 April, the last business day before the start of the offer period. Compared to BCPT’s last reported unaudited net asset value per share of 105.1p, the price represents a discount of around 8.7%. BCPT chairman Paul Marcuse stated that the board explored a range of potential options for the company, including continuation with a revised strategy, a managed wind-down of the portfolio, and the partial or full sale of BCPT's share capital or assets. The board is pleased with the interest shown in the company and its portfolio by various credible third parties during the strategic review.
5. <https://www.costar.com/article/1942123663/starwood-agrees-6735-million-takeover-of-balanced-commercial-property-trust> - Starlight Bidco, a Starwood Capital bidding vehicle, has agreed to a £673.5 million cash offer for Balanced Commercial Property Trust (BCPT), a UK real estate investor. The acquisition values the entire issued and to be issued share capital of BCPT at approximately £673.5 million on a fully diluted basis, with the cash consideration financed entirely by equity to be invested by Starwood Funds. Starwood believes that BCPT has a 'high-quality, attractive and diversified real estate portfolio.' In June, Balanced Commercial Property Trust, which is managed by Columbia Threadneedle, said it had received interest from a number of credible parties while it was also considering a managed wind-down.
6. <https://www.sharecast.com/news/news-and-announcements/starwood-capital-to-buy-balanced-commercial-property-in-pound673m-deal--17416982.html> - Balanced Commercial Property Trust has agreed to be bought by private investment firm Starwood Capital for £673.5 million. Under the terms of the agreement announced on Wednesday, BCPT shareholders will receive 96p per share in cash. This represents a premium of around 21.5% to the closing share price of 79p on 12 April, which was the last business day before the start of the offer period. Compared to BCPT’s last reported unaudited net asset value per share of 105.1p, however, the price represents a discount of around 8.7%. BCPT chairman Paul Marcuse said: 'The BCPT board has explored a range of potential options for the company, including continuation with a revised strategy, a managed wind-down of the portfolio and the partial or full sale of BCPT's share capital or assets.'
7. <https://www.reuters.com/legal/transactional/starwood-property-buy-fundamental-income-properties-about-22-billion-2025-07-16/> - Starwood Property Trust announced it will acquire Fundamental Income Properties for approximately $2.2 billion. The acquisition includes 467 properties across 44 U.S. states and will be financed through a combination of cash on hand, debt, and equity, with Starwood also assuming $1.3 billion of Fundamental's existing financing facilities. Fundamental Income Properties, owned by Brookfield Asset Management, specializes in sale-leaseback transactions involving commercial properties. To help finance the deal, Starwood also launched a stock offering of 25.5 million shares. The transaction sees Starwood expanding its real estate portfolio significantly, although its stock fell about 3% in after-hours trading following the announcement. BofA Securities is advising Starwood, while Brookfield is being advised by Wells Fargo and Evercore. Starwood Property Trust is affiliated with Starwood Capital Group, founded by billionaire Barry Sternlicht.