

Scarborough's £150m trades

Kevin McCabe's Scarborough Property has bought and sold £150m of assets.

The Sheffield United FC chairman's property company sold the Capita London office portfolio to Halladale for £75m – a 5.25% yield – well in excess of its £64m guide price.

The portfolio comprises the 50,000 sq ft Rotunda in Camden, NW1 – home to Stelios Haji-Ioannou's Easy Group – the 22,000 sq ft 19 Bolsover Street, W1; the 26,000 sq ft Seymour Mews House, W1; Clive House on Connaught Place, W2; and the 80,000 sq ft Boundary House, Charterhouse Street, EC1.

Scarborough has also started reinvesting proceeds from the £200m sale of its Clearwater portfolio earlier this year, buying a South East office portfolio from Morley Fund Management for £70m, a 7% yield.

Lambert Smith Hampton advised Scarborough. Lewis & Ellis acted for Morley, and Jones Lang LaSalle for Halladale.

Orb boss stole £35m to repay debt and buy luxury yacht

Gerald Smith jailed for eight years for theft

Christian Metcalfe

Gerald Smith, the man behind property company Orb Estates, this week started an eight-year prison term for a £35m theft.

On Monday, the millionaire businessman – who has already served one jail sentence for theft, in 1993 – was given two consecutive four-year sentences after admitting 10 counts of theft and one of false accounting.

Smith, described in court as a "shadow director" of Orb, admitted to stealing more than £35m from failed dotcom Izodia in 2002, just after Orb became its largest shareholder.

He used £1.8m as a deposit on a luxury yacht and £27m to pay interest owed to Morgan Stanley, which financed Orb's

THE DOWNWARD SPIRAL OF ORB

Orb collapsed in 2003 after its debts spiralled out of control following its heavy borrowing to finance the £600m acquisition of a Thistle hotel portfolio in 2002. The theft from Izodia of £35m, which was used in part to pay off those debts, led to an investigation of Orb and Gerald Smith by the Serious Fraud Office and the jailing of Smith this week.

£600m purchase of 37 Thistle hotels in 2002.

Smith's case was heard in April, but sentencing was adjourned until this week to

allow for his ill health. He also faces the seizure of much of his personal wealth, estimated at £20m, as compensation for Izodia's shareholders. A confiscation hearing will be held in December.

Deputy circuit judge George Bathurst Norman said Smith had used two "stooges" on the board of Izodia to steal almost all of its assets. He described Smith as "clearly talented and capable of great generosity", but said he had "chosen to totally misuse his talents".

Smith's counsel, Alan Newman QC, said that Smith "was the author of his own misfortune", and was "now completely penniless".

Smith is likely to be held in an open prison. *Analysis, p78*

NB prepares for City rent upturn with hire

Nelson Bakewell is planning to take a share of forecast City rental growth by hiring a well-known rent review specialist.

It has hired John Powell, Atisreal's head of City rating and landlord and tenant. He is one of a handful of surveyors who dominate City rent reviews, which NB has previously handled from the West End.

"We act for a lot of big City owners and occupiers. For the past few years, we haven't needed a City rent review specialist, but we decided

to appoint someone to pick up the next upswing," said NB managing director of occupier services Tim Asson. Agents are predicting rental growth in the City over the next 18 months.

Powell will become director of professional services at NB's City office.

The firm has also appointed Stuart Agnew as director of investment in its Edinburgh office. Agnew joins after 20 years with DTZ, where he was head of investment in Scotland.

Alan Dornford, managing director of client services, said: "We wanted a figurehead for the Edinburgh office because of the calibre of clients we have up here – Royal Bank of Scotland, Standard Life, Scottish Widows."

NB has hired around 50 professional staff over the past nine months, a dozen of them senior directors.



New hires: John Powell (l) in City and Stuart Agnew in Edinburgh

M&S LAUNCHES IN SLOVAKIA



Marks & Spencer has taken its first store in Slovakia. The retailer, which will open through a franchisee in the eastern European country, has signed for a 40,000 sq ft store in Irish developer Ballymore's 2.5m sq ft mixed-use Eurovea scheme in Bratislava. Nike, Next, Mothercare, Benetton

and Sephora have also signed up, while US-based Starwood has been lined up to manage a five-star, 207-bedroom Sheraton hotel. Eurovea, which opens in 2009, includes 430,000 sq ft of shops, 1.2m sq ft of offices, 1,150 flats, a casino, cinema and healthclub, as well as the hotel.