

The UK Infrastructure Market

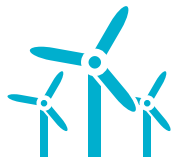
Using data from Preqin's [Infrastructure Online](#), we provide a comprehensive update on the infrastructure market in the UK, including deal flow, UK-based infrastructure fundraising and institutional investor activity in the country.

Key Facts



£50.8bn

Total capital raised by 113 UK-based unlisted infrastructure funds since 2006.



47%

Proportion of UK infrastructure deals involving renewable energy assets.



£4.8tn

Aggregate assets under management of UK-based institutional investors profiled on **Infrastructure Online**.



£18bn

Value of the largest UK infrastructure deal, the partnership between CGN, EDF Group and Areva to build Hinkley Point C Power Station.

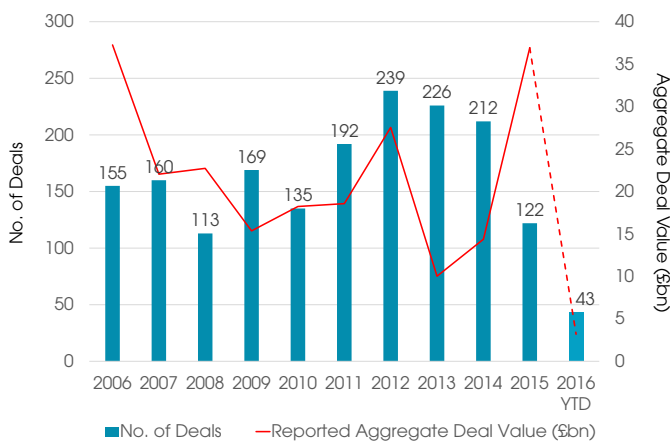
UK Infrastructure Deal Flow

Preqin's **Infrastructure Online** features information on approximately 12,300 completed infrastructure deals, including detailed profiles for over 2,400 completed transactions in the UK. 2012 saw the peak number of UK deals completed in the asset class (239); however, 2015 had the highest reported deal value of the last five years at £36.9bn from 122 completed transactions (Fig. 1). The total number of deals in 2016 is on track to match levels seen in 2015: 43 UK deals have completed so far this year; however, with only £3.2bn in aggregate deal value, 2016 seems unlikely to reach 2015's peak. Increasing valuations of assets have pushed average deal size to record highs: in 2015 the average deal size was £273mn, a 56% increase on the £175mn average seen in 2014 (Fig. 2). Furthermore, nearly half of UK deals in 2015 were completed for at least £100mn; notably, 13% were for £1bn or more (Fig. 3).

A major contributor to the high UK deal value in 2015 was the partnership between China General Nuclear Power Group (CGN), EDF Group and Areva to build Hinkley Point C Power Station in October 2015 for a total deal size of £18bn. CGN contributed £6bn for a 33.5% stake; Areva holds a 10% stake and EDF holds the remainder. Construction of the 3,260 MW nuclear power plant in Somerset, England, is expected to be completed by 2025.

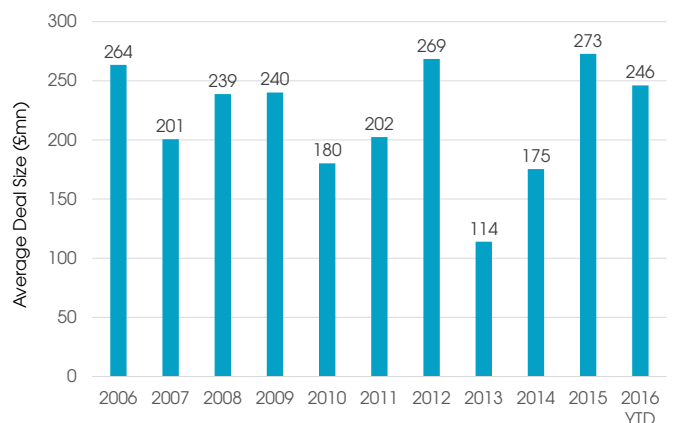
Deals involving renewable energy assets accounted for the largest proportion (47%) of completed UK infrastructure transactions since 2013, while social assets including educational buildings, hospitals and police stations also made up a significant proportion of deals (Fig. 4). As Fig. 5 displays, infrastructure assets at the secondary stage of development are responsible for nearly two-thirds of completed deals since 2013, with new developments representing just over a quarter (27%) of transactions in the UK.

Fig. 1: Number and Aggregate Value of Completed UK Infrastructure Deals, 2006 - 2016 YTD (As at 26 April 2016)



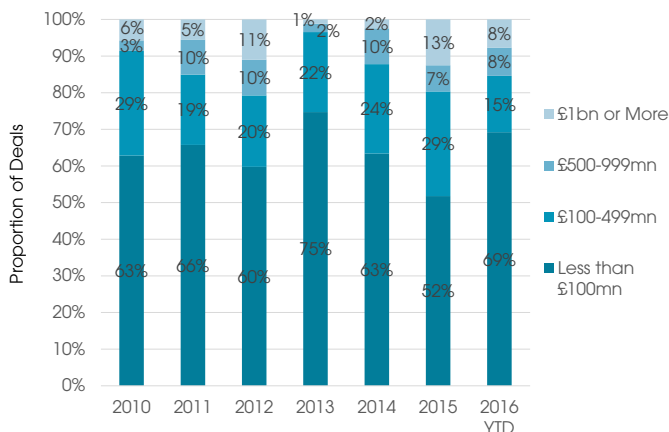
Source: Preqin Infrastructure Online

Fig. 2: Average Size of Completed UK Infrastructure Deals, 2006 - 2016 YTD (As at 26 April 2016)



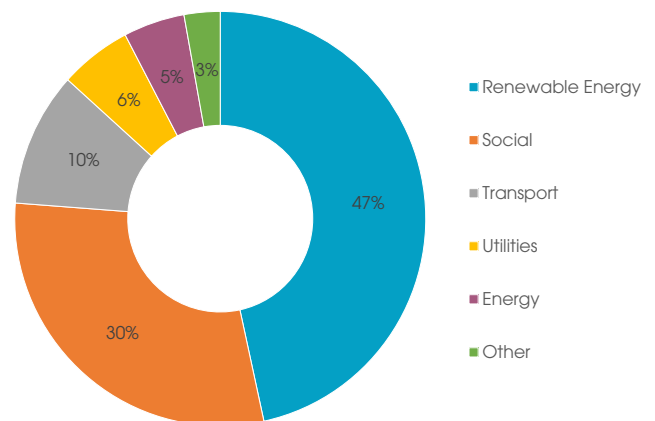
Source: Preqin Infrastructure Online

Fig. 3: Completed UK Infrastructure Deals by Transaction Value, 2010 - 2016 YTD (As at 26 April 2016)



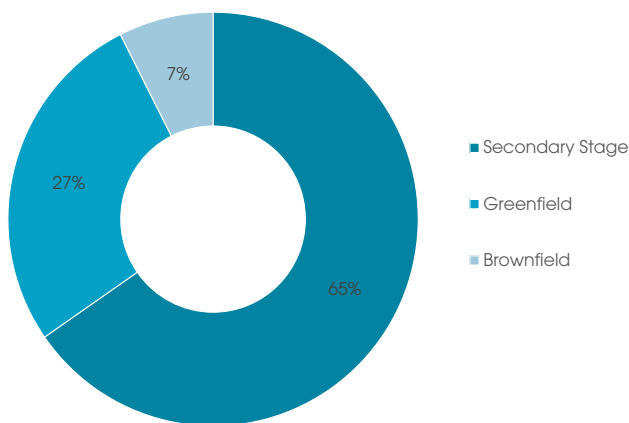
Source: Preqin Infrastructure Online

Fig. 4: Completed UK Infrastructure Deals by Industry, 2013 - 2016 YTD (As at 26 April 2016)



Source: Preqin Infrastructure Online

Fig. 5: Completed UK Infrastructure Deals by Project Stage, 2013 - 2016 YTD (As at 26 April 2016)



Source: Preqin Infrastructure Online

Data Source:

Preqin's **Infrastructure Online** contains detailed information on more than 12,300 deals completed globally.

View details on fund managers and investors that are bidding for, buying and selling infrastructure assets. See information on the type of infrastructure asset and location, data on the equity invested and the percentage stake acquired by the investor, and information on the deal date, structure and duration.

For more information, please visit:

www.preqin.com/infrastructure

Fig. 6: 10 Largest UK Infrastructure Deals Completed, 2013-2016 YTD (As at 26 April 2016)

Asset	Investor(s)	Deal Date	Industry	Deal Size (mn)
Hinkley Point C Nuclear Power Station	China General Nuclear Power Group, EDF Group	Oct-15	Nuclear	18,000 GBP
Thames Tideway Tunnel	Allianz Capital Partners, Amber Infrastructure Group, Dalmore Capital, DIF, Swiss Life Asset Management	Jul-15	Domestic Waste Management	4,200 GBP
Eversholt Rail Group	Cheung Kong Infrastructure Holdings	Jan-15	Rolling Stock	2,500 GBP
Rampion Offshore Wind Farm	E.ON	Jul-14	Wind Power	2,000 GBP
Galloper Offshore Wind Farm	Macquarie Bank, Siemens Financial Services, UK Green Investment Bank	Oct-15	Wind Power	1,600 GBP
London Stansted Airport	Manchester Airports Group	Jan-13	Airports	1,500 GBP
Associated British Ports	CPP Investment Board, Hermes GPE	Mar-15	Seaports	1,600 GBP
Liberty Living	CPP Investment Board	Mar-15	Student Accommodation	2,100 USD
London City Airport	Alberta Investment Management Corporation (AIMCo), Borealis Infrastructure, Ontario Teachers' Pension Plan, Wren House Infrastructure Management	Feb-16	Airports	2,000 USD
Trafford Power Station	Unidentified Investor(s)	Jan-14	Power Plants	1,000 GBP

Source: Preqin Infrastructure Online

UK-Based Fundraising

The unlisted UK-based infrastructure fund market is the largest in Europe; capital raised by funds based in the UK in the last three years account for 49% of the aggregate capital raised for Europe-based infrastructure funds. Preqin's **Infrastructure Online** tracks 113 UK-based funds that have reached a final close since 2006, raising a combined £50.8bn (Fig. 7). Macquarie Asia Infrastructure Fund, managed by London-headquartered Macquarie Infrastructure and Real Assets (MIRA), is the only UK-based fund to close this year so far, securing \$3.1bn in institutional capital commitments for investment in core economic assets across Asia.

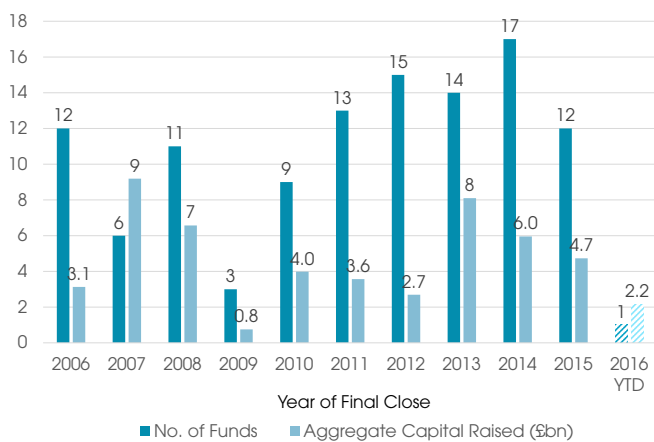
UK-Based Investors

Preqin's **Infrastructure Online** currently tracks 237 UK-based institutions that are actively investing in the infrastructure asset class, collectively representing £4.8tn in total assets. The majority (57%) of UK-based infrastructure investors are pension

funds, with the private sector representing a third of investors and the public sector nearly a quarter (Fig. 9). Wealth managers also make up a notable portion (14%) of the investor pool, followed by asset managers (9%), family offices (5%) and investment companies (3%). In terms of assets under management (AUM), 66% of investors have less than £5bn in AUM, although 24% of investors maintain assets of £10bn or greater (Fig. 10).

Over half (55%) of UK-based investors access the asset class through a separate infrastructure allocation, compared to 47% for all other Europe-based investors (Fig. 11). Only 12% of those in the UK access infrastructure through their private equity allocations, half that of other Europe-based investors. UK-based investors, much like investors based in the rest of Europe, typically access the asset class through unlisted funds, with 60% and 63% preferring this route to market respectively (Fig. 12). Significantly fewer UK-based investors prefer to invest directly (19%).

Fig. 7: Annual UK-Based Unlisted Infrastructure Fundraising, 2006 - 2016 YTD (As at 25 April 2016)



Source: Preqin Infrastructure Online

Interested in Accessing Free Alternative Assets Data and Research Tools?

Preqin's **Research Center Premium** is a free online service providing access to up-to-date charts and league tables, research reports and newsletters, fund performance benchmarking tools and slide decks from recent Preqin presentations at conferences.

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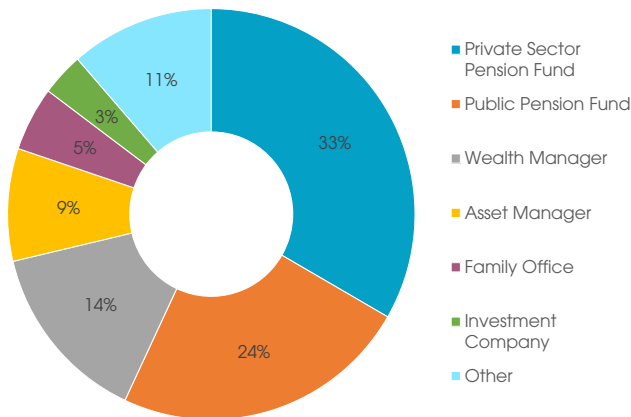
www.preqin.com/rcp

Fig. 8: Five Largest UK-Based Unlisted Infrastructure Funds Closed, 2006-2016 YTD (As at 25 April 2016)

Fund	Firm	Final Close Date	Fund Size (mn)	Geographic Focus
Macquarie European Infrastructure Fund II	Macquarie Infrastructure and Real Assets (MIRA)	May-07	4,635 EUR	Europe
Macquarie Infrastructure Partners	Macquarie Infrastructure and Real Assets (MIRA)	May-07	4,000 USD	North America
Macquarie European Infrastructure Fund IV	Macquarie Infrastructure and Real Assets (MIRA)	May-13	2,750 EUR	Europe
Arcus European Infrastructure Fund I	Arcus Infrastructure Partners	Nov-07	2,170 EUR	Europe
Macquarie Asia Infrastructure Fund	Macquarie Infrastructure and Real Assets (MIRA)	Feb-16	3,100 USD	Asia

Source: Preqin Infrastructure Online

Fig. 9: UK-Based Infrastructure Investors by Type



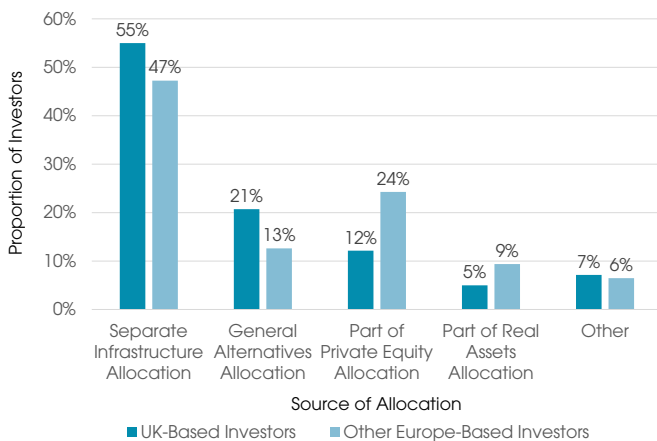
Source: Preqin Infrastructure Online

Fig. 10: UK-Based Infrastructure Investors by Assets under Management



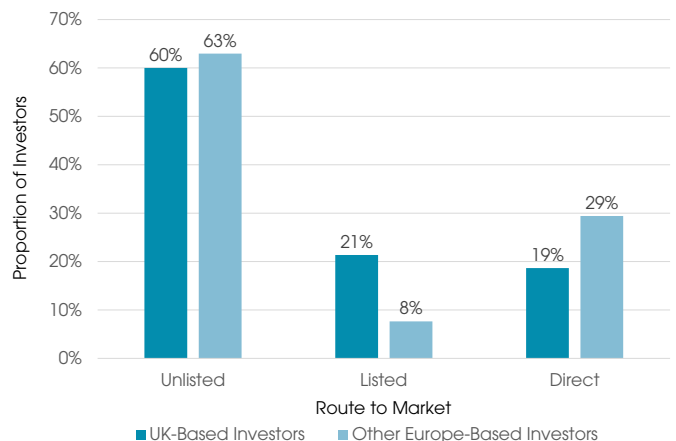
Source: Preqin Infrastructure Online

Fig. 11: Infrastructure Investors by Source of Allocation: UK-Based Investors vs. Other Europe-Based Investors



Source: Preqin Infrastructure Online

Fig. 12: Infrastructure Investors by Preferred Route to Market: UK-Based Investors vs. Other Europe-Based Investors



Source: Preqin Infrastructure Online

Fig. 13: Sample of UK-Based Investors Targeting Unlisted Infrastructure Funds in the Next 12 Months

Investor	Type	Investment Plans in the Next 12 Months
John Lewis Partnership Pension Trust	Private Sector Pension Fund	Planning to make one new unlisted infrastructure fund investment, committing £100mn to a primary vehicle targeting Europe and North America.
South Yorkshire Pensions Authority	Public Pension Fund	Looking to gain exposure to three unlisted infrastructure funds, committing up to £30mn to primary vehicles targeting renewable energy assets across Europe and North America.
Church Commissioners for England	Endowment Plan	Expects to continue to invest in unlisted infrastructure as it works towards its £100mn target allocation to the asset class. It plans to target unlisted vehicles that provide exposure to clean technology energy industries in North America and Europe.

Source: Preqin Infrastructure Online

Looking for more information on UK infrastructure?

Preqin's **Infrastructure Online** contains extensive information on UK infrastructure investment.

View detailed profiles for all fund managers based in the country, funds currently raising and historical fundraising, investors in the country, deals data and much more.

For more information on how **Infrastructure Online** can help you, please visit: www.preqin.com/infrastructure