



23 April 2018

Great Portland Estates sells 78/92 Great Portland Street and 15/19 Riding House Street, W1

Great Portland Estates plc (“GPE”) announces that it has sold the freehold of 78/92 Great Portland Street and 15/19 Riding House Street (the “Property”) to the M&G Real Estate. The headline price of £49.6 million, reflects a net initial yield of 3.9% on a topped up basis and a capital value of £1,362 per sq ft. After deduction for outstanding tenant incentives and rental guarantees, the net price is £48.3 million, ahead of the September 2017 book value.

The Property comprises a mixed use estate recently redeveloped by GPE and includes:

- Grade A offices totalling 18,100 sq ft let in their entirety to a not-for-profit organisation until May 2027 at a rent of £1.2 million per annum;
- Seven retail units totalling 11,400 sq ft let at combined rents of £0.5 million per annum; and
- Six vacant residential apartments and two flats let on assured shorthold tenancies.

The current contracted rent is £1.8 million per annum and a one year rental guarantee of £0.3 million was provided on the vacant residential.

GPE will retain a 999 year interest in nine new apartments at 80 Great Portland Street and 15/19 Riding House Street which are currently being marketed for sale.

Commenting on the sale, Hugh Morgan, Director of Investment Management at GPE said, “The redevelopment of 78/92 Great Portland Street and 15/23 Riding House Street has not only delivered new Grade A offices and retail units, but also satisfied the off-site residential planning requirements for other successful schemes including 30 Broadwick Street, 55 Wells Street and Rathbone Square. With the commercial buildings now fully let and our business plans complete, the sale continues our strategy of recycling capital out of mature assets.”

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