

# Press Release



12 April 2023

## GPE completes record leasing year

Great Portland Estates plc (GPE) publishes a leasing update for the quarter to 31 March 2023.

**Toby Courtauld, Chief Executive, said:** *“A good final quarter completes a record leasing year for GPE as we continued to see sustained demand for our high quality spaces, particularly for our Fitted and Fully Managed products. Whilst the macro-economic volatility persists, we remain confident that we are well placed for these market conditions. We anticipate that the uncertain outlook in the near term will exacerbate the shortage of new deliveries in central London, supporting rents for the best spaces and, given our low levels of leverage, present opportunities in the investment market to add to our development pipeline and expand our Fitted and Fully Managed offers.”*

### New leasing record; £55.5 million signed in the year 3.3% ahead of March 2022 ERV

- 11 new leases and renewals signed in the quarter generating annual rent of £4.4 million (our share: £4.4 million), with market lettings on average 8.9% ahead of March 2022 ERV;
- In total, 105 new leases and renewals signed in the year generating annual rent of £55.5 million (our share: £52.8 million), with market lettings on average 3.3% ahead of March 2022 ERV, including:
  - our largest ever pre-let at 2 Aldermanbury Square, EC2; £24.7 million, 20-year term; with all the planning conditions met the agreement for lease with Clifford Chance is now unconditional;
  - 17 Fitted and 14 Fully Managed leases signed, achieving on average £181 per sq ft on the fully managed space, 8.2% ahead of March 2022 ERV; and
  - 35 new retail leases securing £10.2 million of rent with market lettings 9.1% below March 2022 ERV, including leasing all the retail units at 70/88 Oxford Street, W1;
- 11 rent reviews were settled securing £11.5 million of annual rent (our share: £6.3 million), 2.6% ahead of the previous passing rent;
- Total space covered by new lettings, reviews and renewals was 861,200 sq ft;
- A further £4.8 million of rent under offer, market lettings 14.2% ahead of March 2022 ERV; and
- 99.5% of rent charged collected within seven working days (quarter to June and month of April).

During the quarter, we let a further 27,900 sq ft of office space at The Hickman in two lettings, both on Fitted terms. The first customer will occupy the offices on the third and fourth floors (23,250 sq ft) on ten-year leases with a break at year seven. The second has moved from a nearby location and now occupies the 2<sup>nd</sup> Floor (North), 4,650 sq ft on a Fitted basis and a 37 month term. The Hickman is now more than 90% let.

At 45 Mortimer Street, W1 we let 5,530 sq ft on a Fitted basis to a management consultancy firm, who have taken a two year lease paying a rent of £140 per sq ft, a 107% increase on the previous ready to fit rent (on a per sq ft basis).

We have also let the final retail unit at 70/88 Oxford Street, W1 to The Fragrance Shop, the UK's largest independent fragrance retailer, for their new global store concept in London. The brand will occupy Unit 2 (2,300 sq ft) and will benefit from a prominent eight metre double-height frontage as well as being on the doorstep of the Elizabeth line. This completes the leasing at our 1 Newman Street and 70/88 Oxford Street, W1 development.

### **Disposal of net zero carbon development**

In February, we achieved practical completion and the subsequent sale of 50 Finsbury Square, EC2, which, has now been verified as our first net zero carbon development by Arup in accordance with the UK Green Building Council publication 'Net Zero Carbon Buildings – A Framework Definition'. The headline sales price of £190.0 million reflects a topped up net initial yield of 3.85% and capital value of £1,471 per sq ft (or £1,690 per sq ft on expiry of rent frees).

### **Annual Results 2023**

GPE will be announcing its full-year results on 24 May 2023.

#### **Great Portland Estates plc**

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