

An innovative leasing deal to meet our tenants' unique requirements

Telewest wanted to vacate 160 Great Portland Street, W1, where its leases did not expire until 2018 due to a corporate reorganisation. In December 2010, we agreed to surrender all of its leases in return for £30.0 million, equivalent to 6.3 years of rent. In the meantime, we knew that Double Negative, one of our tenants at Wells & More, was expanding fast and needed more space. Recognising the opportunity to have a high quality building configured to meet their specific needs, in May 2011 Double Negative pre-let all the office space of 160 Great Portland Street on a 20 year lease at a rent of £4.8 million per annum. This may result in them potentially vacating 22,000 sq ft at Wells & More which would provide us with the opportunity to re-let this space at a significantly higher market rent.

Next steps

Having completed the development in May 2012, we will continue to work closely with Double Negative as they take occupation of 160 Great Portland Street and determine their ongoing space requirements at Wells & More.

We said

"Double Negative require three times more power than a typical tenant, not easily provided in central London. As a result of our efforts to provide a seamless supply when they took their lease at Wells & More, they were keen to discuss how 160 Great Portland Street could be refurbished to meet their needs."
Martin Quinn Project manager



Our tenant said

"We had worked with GPE successfully in taking expansion space at Wells & More, so it was only natural that we went back to them to meet our growing business' needs. 160 Great Portland Street will be our global headquarters and a bespoke building which will suit us for many years to come."
Alex Hope, Managing Director, Double Negative

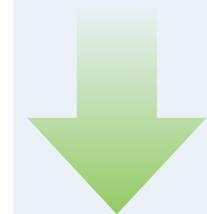


Old 160 Great Portland Street



OUT

7.5 year lease
 Tired space
 Rent £4.7 million p.a.



Old tenant out

Our office tenant at 160 Great Portland Street wanted to vacate the property. However, 7.5 years remained on their lease.



Cash in

We agreed to surrender their lease in return for £30.0 million (equating to 6.3 years of rent). We reinvested part of the proceeds to refurbish the tired space.

New 160 Great Portland Street

New 20 year lease
 Grade A
 Rent £4.8 million p.a.



IN

Double Negative sign lease

We have had a productive working relationship with existing tenant Double Negative since they moved into Wells & More in October 2009. In May 2011, to help them grow, we signed a 20 year lease to consolidate their business into 86,500 sq ft of 160 Great Portland Street.

Power requirement

Double Negative is Europe's largest provider of visual effects for the film industry. Having accommodated their needs at Wells & More, we knew that the high-tech nature of their work requires a significant amount of power. Accordingly, we involved them early in the 160 Great Portland Street refurbishment to ensure that we secured the appropriate power supply.

Wells & More, W1

Grade A
 Current passing rent £39.50 per sq ft
 Current market value rent £67.50 per sq ft

The 22,000 sq ft that they will potentially vacate is in good condition and should let well in a supply constrained market. The passing rent is significantly below the current market value of £67.50 per sq ft.

Higher rents from Wells & More



LETTING OPPORTUNITY