



25 May 2016

GPE Acquires 73/77 Oxford Street Ltd

Great Portland Estates plc (“GPE”) has acquired the entire issued share capital of 73/77 Oxford Street Ltd (“The Company”) for £71.0 million. The Company is debt free and its only assets are three properties in London’s West End, as follows:

- **73/89 Oxford Street** – The freehold interest in GPE’s existing prime development at the east end of Oxford Street which is under construction and comprises 90,000 sq. ft. of retail and office accommodation. Before acquisition, GPE had a 250-year head lease from February 2011, geared to 10% of rents received following practical completion of the scheme; the head rent prior to PC is £620,000 per annum.
- **95 New Bond Street** – The virtual freehold interest in a retail and office property of 4,800 sq. ft., situated at the corner of New Bond Street and Blenheim Street. The property comprises retail on basement to second floor with self-contained offices on third and fourth floors.
- **96 New Bond Street** - A head leasehold interest which expires in 2045 (29.6 years unexpired) at a fixed ground rent of £2,250 per annum. The property extends to 4,800 sq. ft. of retail accommodation. 95 & 96 New Bond Street are let together on a single lease to Victorinox Ltd for a total rent of £880,000 per annum which reflects around £400 Zone A, significantly below CBRE’s current estimate of £600 Zone A.

The gross capital commitment is £72.3 million, which reflects a day one yield of 2.1% increasing to 3.2% once reversions have been captured, based on CBRE’s current view of rental value.

Toby Courtauld, GPE Chief Executive said “we have worked closely with the freeholder of 73/89 Oxford Street since agreeing the original transaction with them in 2011, enabling us to unlock an exciting development opportunity at the eastern end of Oxford Street, which we commenced in January 2015. With practical completion due in May 2017, the retail accommodation has already been fully prelet and record retail rents achieved in excess of £700 Zone A. By acquiring the freehold interest, we have created a 100% prime investment asset, adjacent to a Crossrail station, in one of the London’s most exciting locations. The New Bond Street properties will further extend our longer term pipeline of development opportunities and are in close proximity to the GHS Partnership’s Hanover Square estate, which itself has a substantial retail component on New Bond Street. Whilst already reversionary, we expect the location to show strong rental growth in the coming years as Crossrail nears completion and our Hanover Square development is completed.”

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