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GPE JVs acquire £35m of assets on Regent Street, W1

Great Portland Estates plc (“GPE”) announces that through two separate joint ventures it has exchanged contracts, subject to freeholders consent, to acquire two long leasehold properties on Regent Street, London, W1 for £35 million from clients of F&C REIT.

At 103/113 Regent Street, The Great Ropemaker Partnership (“GRP”), a 50:50 joint venture with BP Pension Fund, has acquired the long leasehold interest for £27 million reflecting a net initial yield of 7.2%. The property extends to 55,369 sq ft and is let in its entirety to Austin Reed Ltd until 2027 paying £2.45 million per annum (gross). The head lease from The Crown Estate expires in 2079 with 5 yearly head rent reviews to 28% of ERV. After the ground rent deduction, the net rent is £2.055 million per annum with both the head lease and occupational lease subject to rent review in April 2010.

At 122/124 Regent Street (Kingsland House), The Great Capital Partnership (“GCP”), a 50:50 joint venture with Liberty International subsidiary Capital and Counties, has acquired the long leasehold interest for £8 million reflecting a net initial yield of 5.00% with three vacant office suites. The property extends to 8,800 sq ft, produces £0.5 million per annum (£0.42 million after the deduction of the head rent) and is multi-let to 7 tenants with expiries between 2010 and 2027. The head lease from the Crown Estate expires in 2084 and is subject to head rent of 15% of rents received. Kingsland House adjoins GCP’s existing holding at Carrington House, 126/130 Regent Street and, taken together, they produce an exciting medium term development prospect.

Toby Courtauld, GPE Chief Executive said “Kingsland House complements Carrington House well, providing GCP with an exciting medium term development opportunity in a great pitch on an internationally renowned retail street.”

“At the Austin Reed store, we have acquired a prime asset giving us a variety of opportunities to enhance value through, for example lease re-structuring, reconfiguration and in the longer term, potentially wholesale redevelopment. We look forward to working with both The Crown Estate and Austin Reed to unlock the latent potential in this first class location.”

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GREAT PORTLAND ESTATES plc is a central London investment and development company and a constituent of the FTSE 250 index. It aims to deliver superior returns to shareholders through active management, the application of development skills to create value and the maximising of equity returns through efficient capital structuring and flexible financing. GPE converted into a UK Real Estate Investment Trust (REIT) on 1 January 2007.

At 30 September 2009 GPE's portfolio, including its share of joint ventures, was valued at £1,054 million.

CAPITAL & COUNTIES held assets of £1.7 billion at 30 June 2009, amounting to 7.4 million sq ft in aggregate, of which £1,277 million was invested in Central London. Capital & Counties had £529 million invested in the Covent Garden area including the historic Covent Garden Market, and a further £224 million in London's West End, primarily through the Great Capital Partnership, a joint venture with Great Portland Estates plc. Capital & Counties owns 50 per cent of the Earls Court and Olympia Group and of the Empress State building in Earls Court amounting to aggregate assets of £524 million. In addition, Capital & Counties has interests in the USA amounting to £368 million (2.6 million sq.ft.), predominantly comprising retail assets in California, including the 856,000 sq.ft. Serramonte Shopping Centre, Daly City, San Francisco.