

73/89 OXFORD STREET, W1

# Creating valuable spaces

At 73/89 Oxford Street, W1, our activities have created significant shareholder value. Securing an attractive planning permission, pre-letting the majority of the building and enhancing our interest through acquiring the freehold together transformed the property into a valuable prime investment which we then forward sold in November 2016, crystallising a substantial profit of £117.2 million (or 74% whole life surplus).

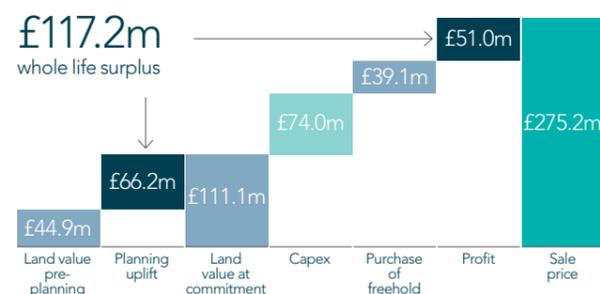
We assembled the site through an innovative transaction to acquire the leasehold interest in 2011. This acquisition unlocked a retail-led development opportunity at the eastern end of Oxford Street, an area that was set to be re-rated ahead of the delivery of Crossrail in 2018. We secured planning for a 90,700 sq ft retail and office scheme in 2013, helping to lift the value of the land by £66.2 million at the point we committed to the development.

During the development of the building, we secured three pre-lets with an average lease term of 17 years, including our letting to Benetton which set a record retail rent for this part of Oxford Street at £707 Zone A, almost tripling the pre-development rental value.

In early 2016, we bought in the freehold interest for £39.1 million, helping to enhance our ownership and making the building more attractive to investors seeking exposure to prime London real estate.

In November 2016, with our business plan complete following the pre-let of three of the four office floors to Moneysupermarket.com, we forward sold the building to Norges for £275.2 million, reflecting a net initial yield of 3.2% and capital value of £3,051 per sq ft.

## Crystallising a whole life surplus of £117.2 million



Together, the planning uplift of £66.2 million and the development profit of £51.0 million delivered a whole life surplus of £117.2 million (74% on all costs).



### What they say...

"The freehold acquisition in early 2016 and the targeted sales process enabled GPE to capitalise on the appetite from overseas capital for prime London retail through their forward sale to Norges."

Phil Cann, UK Head of Investment Properties, CBRE

### What we say...

"73/89 Oxford Street has been an exceptional project for us and this sale continues our strategy of recycling capital out of assets where we have created significant value."

Hugh Morgan, Head of Investment Management