

# Full of eastern promise

The central London investment market proved challenging for acquisitions during the year, with strong pricing limiting opportunities to find value. However, in May 2017, we purchased the freehold of Cityside House and Challenger House, E1 for £49.6 million, providing us with an exciting development opportunity in a location set to benefit from the opening of the Whitechapel Crossrail station in late 2018.

The 1.2 acre site overlooks a park and sits in close proximity to Aldgate East Zone 1 underground station. This popular area is set to benefit further when the new Whitechapel Crossrail station opens later this year, only 650 metres away.

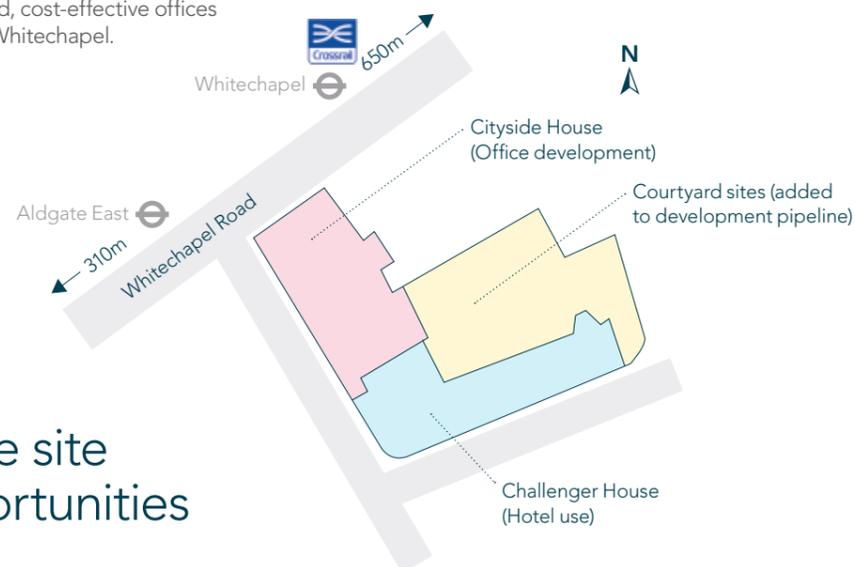
The site has three main components: Cityside House, an office building readied for redevelopment, Challenger House, a 171 bedroom hotel let to Qbic Hotels, and courtyard sites to the rear.

Cityside House was acquired with planning permission for redevelopment and off a low capital value of £250 per sq ft. However, we have improved the design by relocating the office entrance, rotating the core to improve the efficiency of the floorplates and upgrading the building's services. Together with our schemes at Hanover Square, W1 and Oxford House W1, we have now commenced the redevelopment and once complete the building will deliver 74,700 sq ft of well-designed, cost-effective offices in the heart of Whitechapel.

We are also currently exploring a number of innovative options for the building, including introducing areas for flexible working, providing an element of co-working space and creating a technologically smart building where, amongst other innovations, many of the building services can be accessed through a smartphone app. Together, we anticipate that these initiatives will increase the productivity of the space for its occupiers and in turn, its letting prospects.

We expect to complete the redevelopment of Cityside House in the autumn of 2019 with an anticipated profit on cost of c.16%.

▶ See investment management on pages 36 and 37



1.2 acre site  
3 opportunities



## What we say...

"Cityside House is currently a tired asset in a location shortly to benefit significantly from the arrival of Crossrail. It's a classic GPE development opportunity where we can add substantial value."

James Burrage, Development Manager

## What they say...

"Cityside House is set to take full advantage of the rapidly improving Whitechapel district. We predict that the creative environment, vibrant entertainment scene and the opening of Crossrail will attract a diverse range of occupiers to the building."

Tim Plumb, International Partner  
Cushman and Wakefield