

# Press Release



10 October 2024

## Quarterly trading update

Great Portland Estates plc (GPE) publishes a trading update for the quarter to 30 September 2024.

**Toby Courtauld, Chief Executive, said:** *“We are pleased to have maintained our leasing momentum, delivering a strong quarter with £6.1 million of new lettings, bringing the total for the financial year to date to £10.5 million, 7.0% ahead of the valuer’s ERV, with our Fully Managed spaces outperforming once more. With £8.8 million of lettings currently under offer at a 16% premium to ERV, we reaffirm our confidence in our portfolio rental value guidance of +3.0% to +6.0% growth for the financial year.*

*Furthermore, following a successful £350 million rights issue and £250 million debt issuance since our results in May, we have both the financial capacity and the increasing confidence that we can deploy the proceeds into accretive acquisitions. Today, we have around £100 million under offer, fully aligned to the acquisition criteria we set out in May. Beyond this, we have a further £1.6 billion under active review or on our watchlist to buy.*

*With economic conditions improving and interest rates now falling, London’s unique characteristics set it apart as a global office hub with healthy long-term growth prospects; strong customer demand for our market-leading HQ and Flex spaces is enabling us to lease ahead of expectations in a market starved of such centrally-located, quality space and underpinning our conviction in our sizeable near-term pipeline. Meanwhile, favourable investment markets play to our acquisition ambitions and with our balance sheet strength we expect to add to our recent purchases, enhancing our already attractive growth prospects.*

## Sustained levels of leasing activity, 6.4% ahead of ERV overall, 8.9% for Fully Managed

- 15 new leases and renewals signed in the quarter generating annual rent of £6.1 million (our share: £4.1 million), with market lettings on average 6.4% ahead of March 2024 ERV;
- In total, 28 new leases and renewals were signed in the six months, generating annual rent of £10.5 million (our share: £8.2 million), with market lettings on average 7.0% ahead of March 2024 ERVs (offices; 8.9%; retail 3.5%), including:
  - 11 Fully Managed leases signed generating an additional £5.5 million of rent roll at an average £197 per sq ft (£238 per sq ft across the five West End deals), in total 8.9% ahead of March 2024 ERV; and
  - 12 new retail leases securing £4.2 million of rent with market lettings 3.5% above March 2024 ERV.
- Six rent reviews were settled in the six months, securing £6.7 million of annual rent (our share: £4.2 million), 3.3% ahead of the previous passing rent;
- A further £8.8 million of rent is currently under offer; market lettings 15.9% ahead of March 2024 ERV; and
- The Group’s rent roll is now £109.6 million, up 2% since 1 April 2024.

Following the 22,500 sq ft letting to TK Maxx we announced last year, in the quarter we completed three new retail deals at Mount Royal, W1. The three retail brands that have signed new leases (totalling 20,000 sq ft) include the new immersive gaming brand, Activate (We Do Play); children's toy store, Keikoo; and Italian restaurant brand, Caffé Concerto. We have now secured new lettings on almost 60% of the space available at Mount Royal, W1 to great brands who all have a long-term vision for the location.

In September, we let 6,900 sq ft of retail space on a 10 year lease at 6/7 Portman Square, Orchard Court, W1 to luxury brand for professional-grade home appliances, Gaggenau. The brand will relocate from its current unit at 40 Wigmore Street, doubling its footprint occupying a prominent position on Portman Square.

Given our leasing successes to date, we reiterate our rental growth guidance for the financial year, with portfolio-wide growth of 3.0% to 6.0%. For prime office space, our guidance is stronger still at 5.0% to 10.0%.

### **Two exciting Fully Managed refurbishment schemes (89,700 sq ft) completing imminently; encouraging early customer enquiries**

At 6 St Andrew Street, EC4, the newly rebranded 'SIX' completes later this month and offers 48,000 sq ft of newly refurbished office space comprising of workspaces ranging from 1,200 sq ft to 5,800 sq ft, across nine floors including, a communal lounge and boardroom, a rooftop terrace, shared kitchen and wellness studio. SIX is within easy walking distance of Farringdon Elizabeth line station, Chancery Lane, Farringdon and Thameslink stations. The building is BREEAM RFO Excellent, highly energy efficient, and is targeting NABERS 4.5\* rating. For further details visit [www.gpe.co.uk/portfolio/six](http://www.gpe.co.uk/portfolio/six).

At 31/34 Alfred Place, WC1, our extensive refurbishment of the building is also set to complete later this month. Nestled in the heart of Fitzrovia, Alfred Place offers 41,700 sq ft of outstanding Fully Managed office space. Adjacent to The Courtyard, one of the Group's recent acquisitions, it is around 400 metres from Tottenham Court Road Elizabeth line station. For further details visit [www.gpe.co.uk/thirty-one-alfred-place](http://www.gpe.co.uk/thirty-one-alfred-place).

### **Good progress at our on-site development schemes**

We have made good progress in the quarter across our three on-site HQ development schemes (533,300 sq ft). At 2 Aldermanbury Square, EC2, our fully pre-let scheme on London Wall, construction of the steel frame installation is progressing well and is now up to the ninth floor, with the main plant installation well underway in the basement plant areas. At Minerva House, SE1, the deconstruction phase is nearing completion, with construction of the new elements of the building expected to commence early in the new year. At French Railways House, SW1, deconstruction is well underway and we are greatly encouraged by the level of pre-let interest in the building some two years ahead of completion.

### **Taking advantage of more favourable investment markets**

With London's investment markets remaining favourable, our pipeline of acquisition opportunities is progressing well. In addition to exchanging to acquire the Courtyard, W1 in May, we now have three buildings under offer, totalling some £100 million (before capital expenditure). Looking ahead, the pipeline remains encouraging. We currently have £1.0 billion additional assets under active review, primarily off-market, encompassing both HQ repositioning and Flex opportunities. In addition, we are closely monitoring a further £0.6 billion in potential opportunities on our watchlist.

### **New £250 million 7 year Sustainable Bond**

In September 2024, we announced our first sterling denominated senior unsecured sustainable bond. The £250 million Bond has a term of seven years, bears interest at a rate of 5.375% and is rated Baa2 by Moody's Investor Services Ltd.

Alongside our unsecured ESG-linked bank facilities, this sustainable Bond further diversifies our debt funding sources and has extended our weighted average debt maturity to over 5.5 years. The Bond was 5.5x oversubscribed at the peak.

### **Interim results announcement**

GPE will announce its half year results on 14 November 2024, with the results presentation commencing at 8.30am, with a live stream available on our website:

[www.gpe.co.uk/investors](http://www.gpe.co.uk/investors).

#### **Great Portland Estates plc**

Toby Courtauld, Chief Executive  
Nick Sanderson, Chief Financial & Operating Officer  
Stephen Burrows, Director of Investor Relations and  
Joint Director of Finance

**+44 (0) 20 7647 3000**

#### **FGS Global**

James Murgatroyd  
Gordon Simpson

**+44 (0) 20 7251 3801**

For further information see [www.gpe.co.uk](http://www.gpe.co.uk) or follow us on X at @GPE\_London

LEI Number: 213800JMEDD2Q4N1MC4