



1 June 2012

## **Great Portland Estates plc makes £39.0 million purchase in St James's from Henderson Global Investors**

Great Portland Estates plc ("GPE") announces the acquisition of the head leasehold interests in French Railways House and 50 Jermyn Street, SW1, for £39.0 million from Henderson Global Investor's Central London Office Fund 1 ("CLOF 1"). The purchase price reflects a net initial yield of 5.1% and a capital value of £782 per sq. ft.

The properties were both built in the 1950's and provide 49,879 sq. ft. of office and retail accommodation on an underdeveloped 0.3 acre site. They are multi-let to 9 tenants producing a gross rent of £2.12 million per annum, which reflects an average rent of £46.50 per sq. ft. on the offices and £125 per sq. ft. Zone A on the retail, offering good short term reversionary potential; all of the leases have events between 2012 and 2014. The properties are held leasehold from The Crown Estate ("TCE"), expiring in 2057 and 2053, respectively, with a total fixed ground rent of £13,250 per annum. They adjoin the Piccadilly Estate, a 130,000 sq. ft. office and retail holding owned by the Great Capital Partnership ("GCP"), GPE's 50:50 Partnership with Capital and Counties Properties PLC.

Toby Courtauld, GPE Chief Executive said, "We are pleased to announce this acquisition in the heart of St James's. The acquisition offers an attractive net initial yield of 5.1% which we expect to be able to grow to around 7% over the next 24 months as a result of imminent lease events and focused asset management. Over the longer term, these two adjoining properties offer a superb development opportunity in one of the West End's premier sub markets, potentially delivering material uplift in both the quantity and quality of accommodation on the site".

Nick Deacon, Director of Property at Henderson Global Investors said. "We have held these properties for over 6 years. The sale forms part of a strategic repositioning of the Fund which we have undertaken over the last 18 months. The proceeds will be reinvested into CLOF 1's development programme over the near term, including the Fund's joint venture with Istithmar P&O at Regent Quarter in King's Cross, the proposed redevelopment of 54-57 Great Marlborough Street in Soho and Bishop's Court in Spitalfields. The London office investment markets remain a challenging and competitive environment. Deploying capital into the Fund's development and refurbishment activities is a prudent and cost effective course of action for us to adopt."

**Contacts:**

**Great Portland Estates plc**

Toby Courtauld - Chief Executive

020 7647 3042

Ben Chambers - Investment Director

020 7647 3010

**Henderson Global Investors**

**Gemma Bradley**

020 7818 4441

[Gemma.bradley@henderson.com](mailto:Gemma.bradley@henderson.com)

**About Henderson Property**

Henderson is a leading property asset manager with around £12.4 billion (as at 31 December 2011) of property funds under management across Europe, Asia and the US. The property team comprises over 200 staff based in offices across Europe, Asia and the US. The company has offices in Beijing, Chicago, Frankfurt, Hartford, Hong Kong, London, Luxembourg, Madrid, Milan, Paris, Singapore & Vienna. It also has additional asset management capabilities through a joint venture in Hamburg.

The property business manages pooled and segregated accounts which invest in properties offering core and value-added returns. In addition to investing across all commercial sectors, the property business also manages funds with sector specialist and/or regional themes. Henderson's property business includes a market-leading research capability.

[www.henderson.com/property](http://www.henderson.com/property)