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GPE Joint Venture acquires 148 Old Street, EC1

The Great Ropemaker Partnership (“GRP”), a 50:50 Joint Venture between Great Portland Estates plc (“GPE”) and The BP Pension Fund has acquired 148 Old Street, EC1 from The BP Pension Fund for £30.0 million, reflecting a capital value of £307 per sq. ft. and an initial yield to GRP of 6.93%.

148 Old Street is a 97,807 sq. ft., office building arranged over lower ground, ground and six upper floors. It is held freehold and is let to Royal Mail Group Limited at a rent of £2.17 million per annum (£22.19 per sq. ft.) until 2020, with a rent review and tenant break option in May 2015. The property sits on a site of 0.83 acres and with a net to gross ratio of only 66%, provides an exciting opportunity for refurbishment or redevelopment from 2015.

Toby Courtauld, GPE Chief Executive said “We are delighted to have acquired 148 Old Street at an attractive initial yield of almost 7% and off a low entry cost of £307 per sq. ft., or only £200 per sq. ft. based on the gross internal area. This is a well-located site providing opportunities to create significant value over the medium to longer term in this rapidly changing part of central London.

We have now invested more than 80% of the equity capital raised from shareholders only four months ago. With a number of interesting opportunities under review, I remain confident that the balance will be invested well within our original timing guidance of 12 to 18 months.”

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