

# DERWENT LONDON

INVESTOR DAY PRESENTATION

28 SEPTEMBER 2021



# AGENDA FOR THE DAY

11:00 Registration and Coffee

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11:30 Presentations

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Market Update

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Developments

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Investment Activity

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Q&A

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13:15 Lunch

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14:00 Property Tour

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16:30 Drinks

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# INTRODUCTION

PAUL WILLIAMS



# DERWENT LONDON BACKGROUND

## POSITIVE FIRST HALF RESULTS TO JUNE 2021

- Total return +2.7%
- EPRA earnings per share 54.0p, +10.5%
- Interim dividend per share 23.0p, +4.5%
- EPRA NTA per share 3,864p, +1.4%
- LTV 17.3%

## STRONG START TO THE SECOND HALF

- Adding to development pipeline
- Continued letting momentum

## GUIDANCE

### ERV Guidance

Raised to +2% to -2%  
from 0% to -5%

### Investment yields

To remain firm

## OUR DEVELOPMENT PIPELINE



# INVESTING IN THE PORTFOLIO

Latest  
retrofitting  
projects

EPC	Property Target	Derwent London compliance
2023	'E' or better	99%
2030*	'B' or better	43%



6-8 Greencoat Place SW1



Francis House SW1

\*Current UK government White Paper

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11:30 Presentations

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Q&A

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13:15 Lunch

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14:00 Property Tour

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16:30 Drinks

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# MARKET UPDATE & OCCUPIER DRIVERS

OUR RESPONSE



# AGENDA

London Office Occupier Market Update

What Is Happening In Our Portfolio

Key Demand Drivers & Our Response

Thinking About Design

A Sustainable Portfolio - Net Zero Carbon

Digital Strategy & An Intelligent Portfolio

LONDON OFFICE  
OCCUPIER  
MARKET UPDATE



# CENTRAL LONDON OFFICE OCCUPIER MARKET

## Market & Sentiment

Improving

## Take-up / Under Offers

Increasing

## Flight to Quality

Driving pre-letting activity

## Supply

Total supply is levelling off

## Beyond the Demise

Good demand for amenity, high sustainability credentials & digital enablement

## Demand

Greater transparency & rising confidence

## War for Talent

Offices play a significant role

## Commercials

Rents & incentives have stabilised, with agents predicting recovery to pre-Covid levels in 2022

# KEY OCCUPIER METRICS

	TAKE-UP (SQ FT)	UNDER OFFER (SQ FT)	AVAILABILITY (SQ FT)	VACANCY RATE (%)	
QUARTERLY	Q1 2021	1.4m	1.9m	25.7m	8.8%
	Q2 2021	1.6m	2.8m	26.1m	9.3%
MONTHLY	July 2021	0.5m	3.6m	26.7m	9.4%
	August 2021	0.8m	3.7m	26.7m	9.4%

Source: CBRE

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Source: CBRE

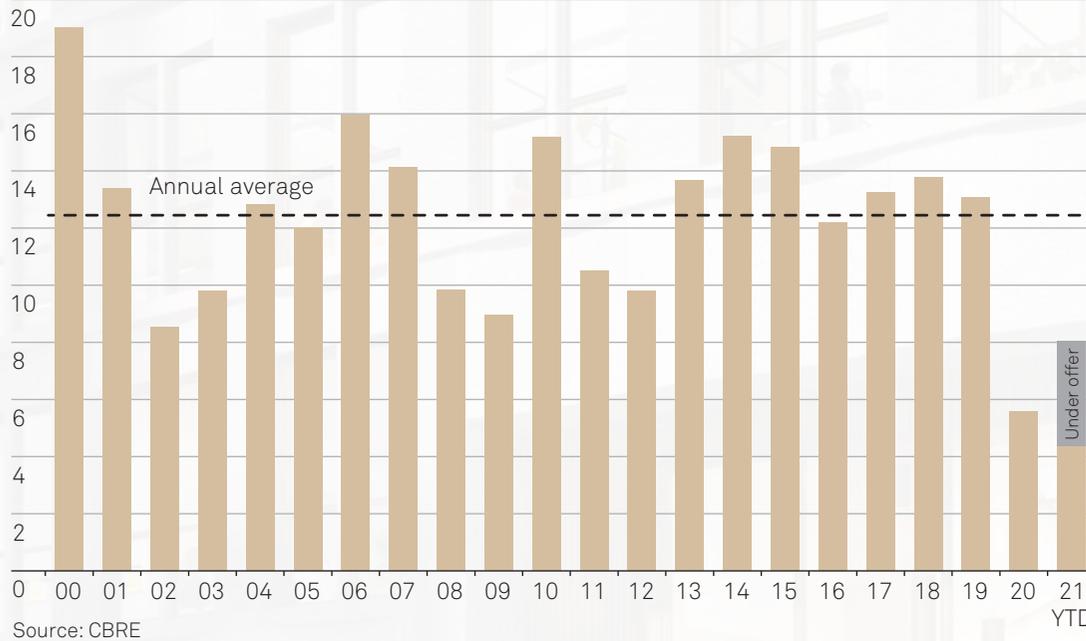
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Source: CBRE

# TAKE - UP

Central London office take-up (million sq ft)



Take-up YTD:  
**4.3m sq ft**

2021 monthly average  
**54% higher than**  
Apr-Dec 2020

**41% lower than**  
5-year average

## Some highlights in 2021:

**LATHAM & WATKINS** LLP

1 Leadenhall, EC3  
199,000 sq ft

**IBM**

1 Southbank Place, SE1  
132,000 sq ft

**SYNLAB**

Friars Bridge Court, SE1  
103,000 sq ft

**TikTok**

Kaleidoscope, EC1  
89,000 sq ft

**Glendower Capital**

8 St James' Sq, SW1  
7,888 sq ft

# UNDER OFFER

	SQ FT
Q1 2021	1.9m
Q2 2021	2.8m
August 2021	3.7m

Source: CBRE

**ALLEN & OVERY**

1-2 Broad St, EC2  
280,000 sq ft



Belgrove House, WC1  
180,000 sq ft



Bloom, EC1  
112,000 sq ft

**CHUBB®**

40 Leadenhall St, EC3  
70,000 sq ft



20 Old Bailey, EC4  
58,000 sq ft



280 Bishopsgate, EC2  
55,000 sq ft



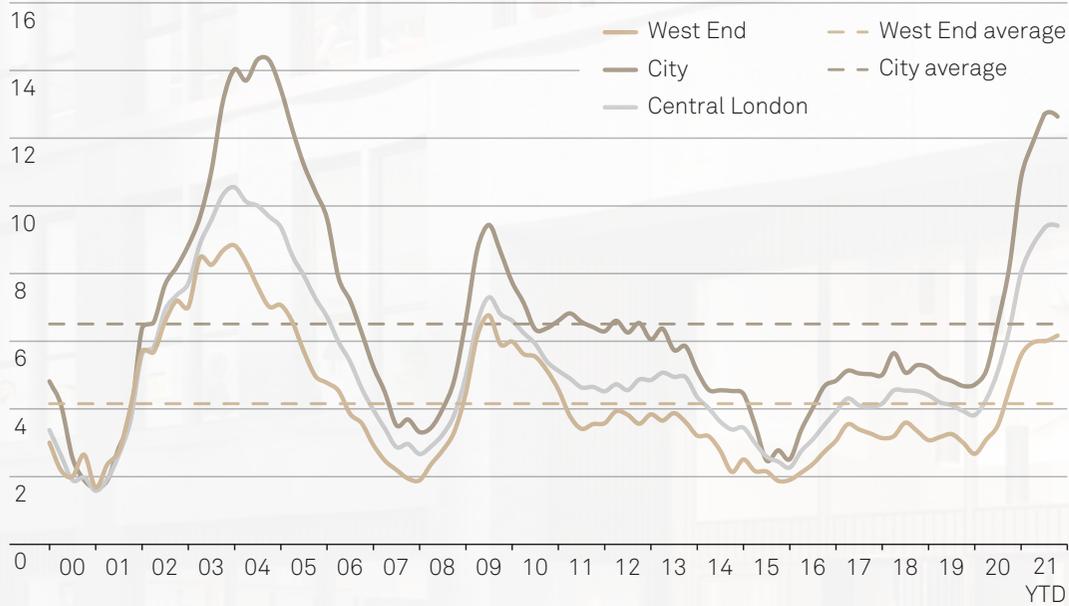
5 Old Broad St, EC2  
52,000 sq ft



280 Bishopsgate, EC2  
43,000 sq ft

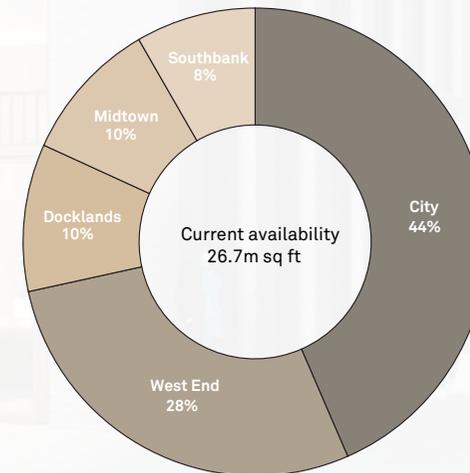
# AVAILABILITY & VACANCY RATE

Vacancy rate (%)



	SQ FT	VACANCY RATE
Q1 2021	25.7m	8.8%
Q2 2021	26.1m	9.3%
July 2021	26.7m	9.4%
<b>August 2021</b>	<b>26.7m</b>	<b>9.4%</b>
Vs 5-year average	16.2m	5.3%

Availability by location



Source: CBRE

# TENANT CONTROLLED SPACE

Key withdrawals:



171 Victoria St  
195,000 sq ft



PUBLICIS GROUPE

Turnmill  
56,000 sq ft

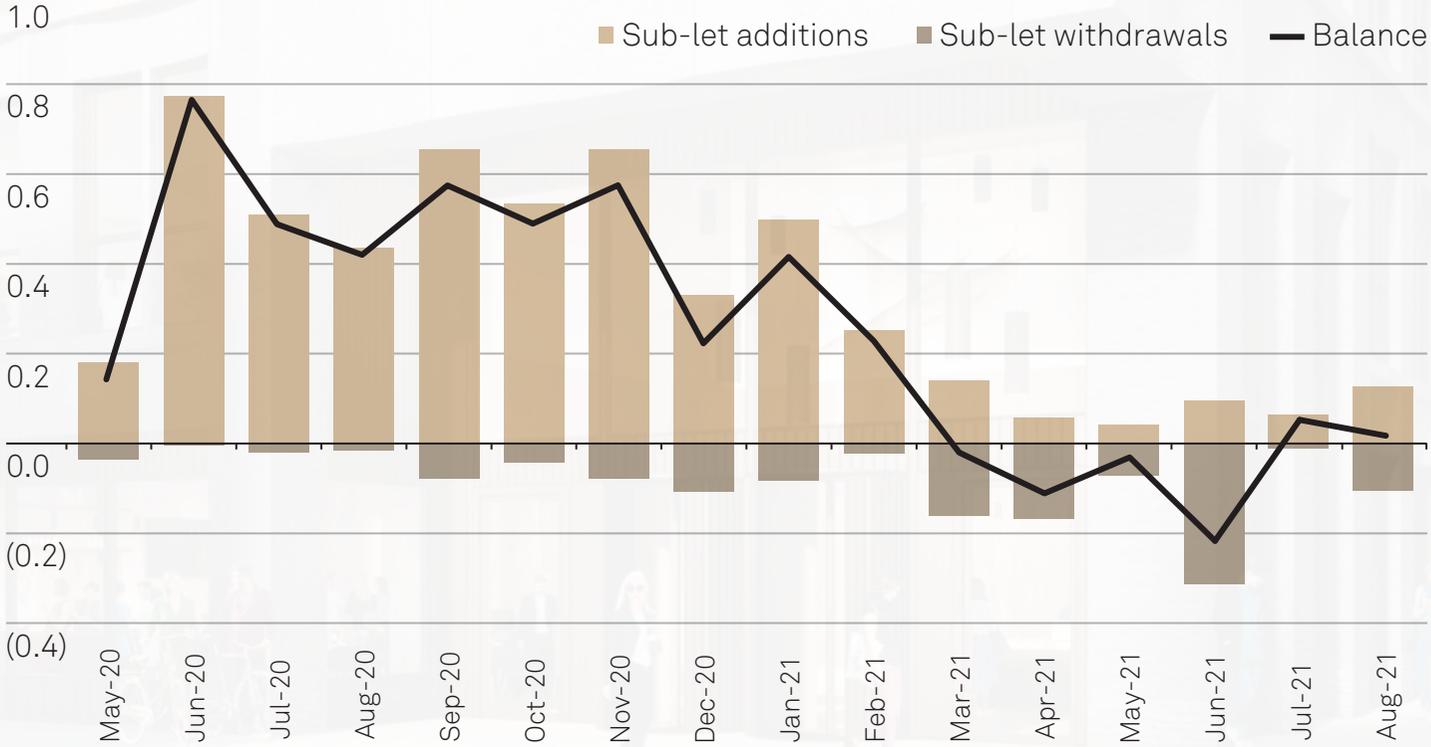


190 High Holborn  
44,000 sq ft



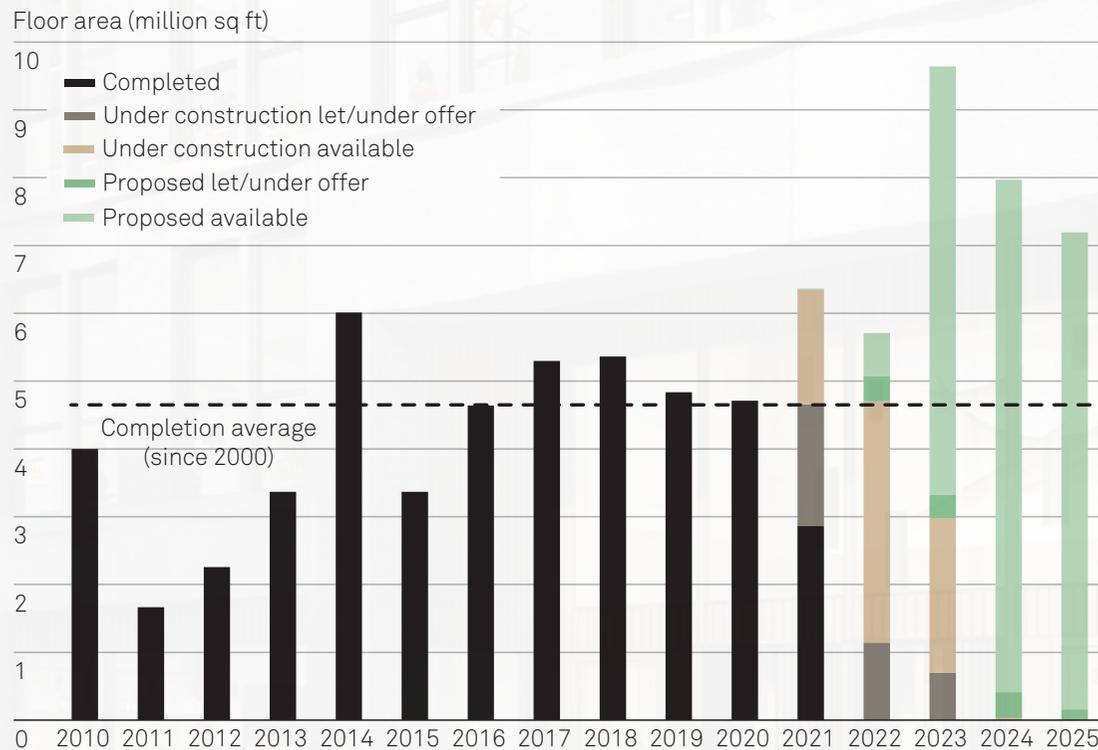
10 Bishop Square  
30,000 sq ft

Floorspace (million sq ft)



Source: CBRE

# DEVELOPMENT PIPELINE

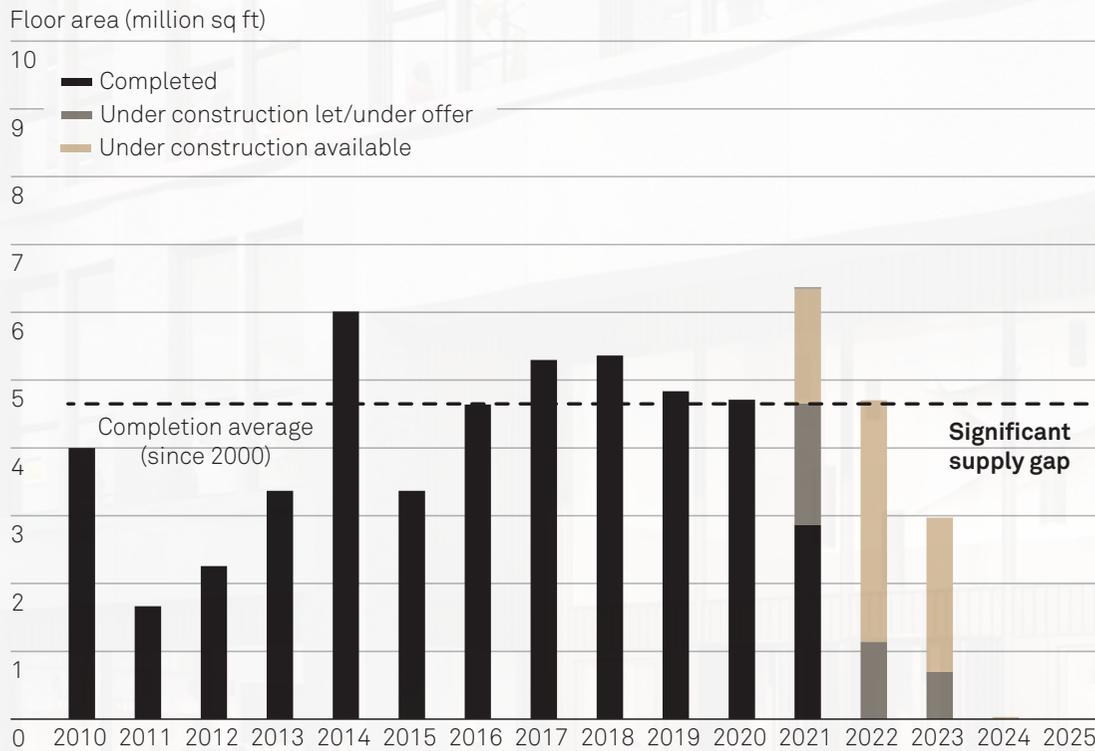


Source: CBRE

**32%**  
of space under  
construction is  
pre-let or under  
offer

**7.6m sq ft**  
of speculative  
space under  
construction

# DEVELOPMENT PIPELINE - CENTRAL LONDON



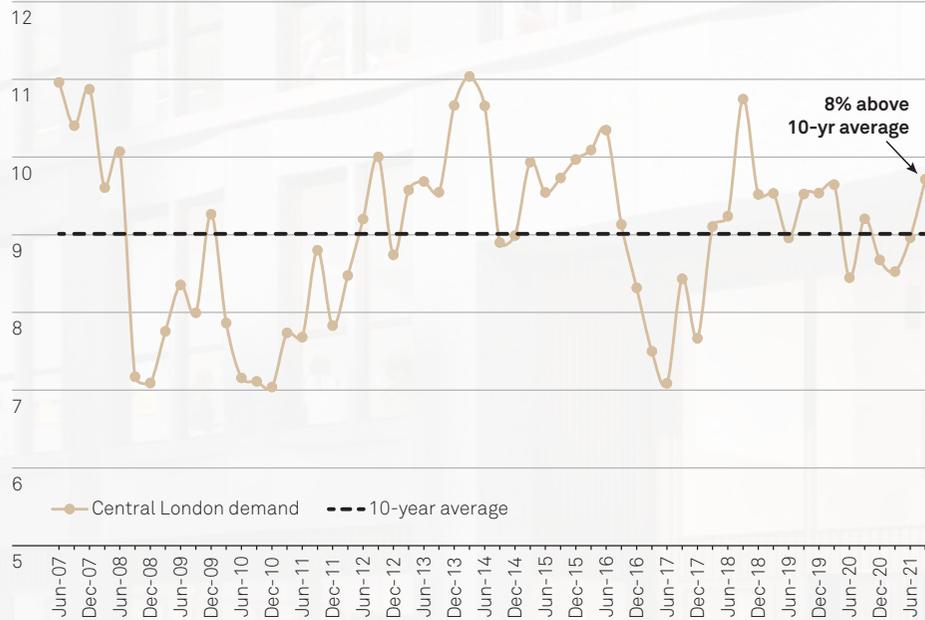
Source: CBRE

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**7.6m sq ft**  
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# CURRENT ACTIVE DEMAND

Active demand (million sq ft)



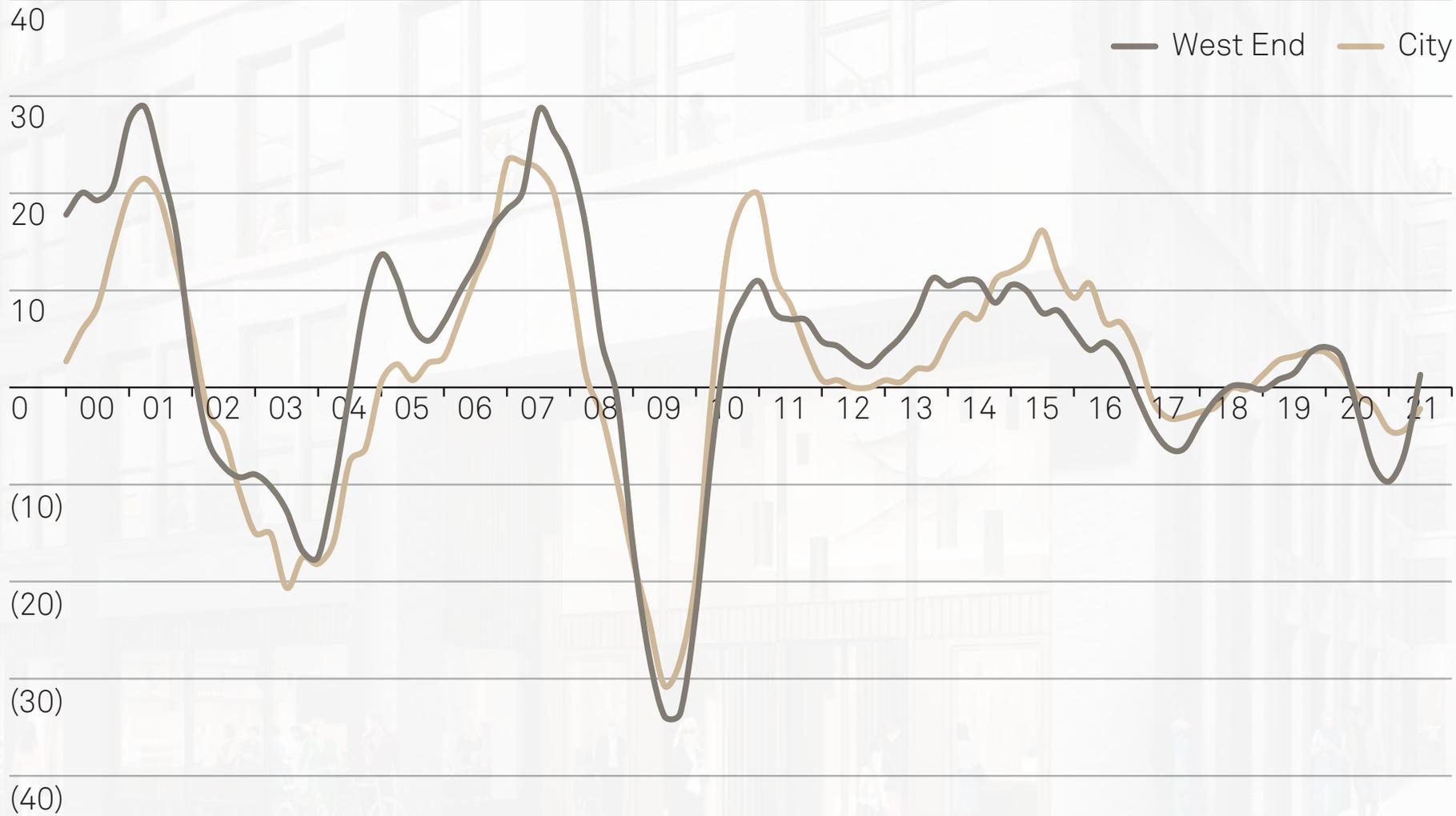
Source: Cushman & Wakefield

	SQ FT
Q1 2021	8.5m
Q2 2021	9.0m
Current	9.7m
Vs 10-year average	8%

 600,000 sq ft	 400,000 sq ft	 200,000 sq ft
 170,000 sq ft	 80-100,000 sq ft	 50-70,000 sq ft
 45-60,000 sq ft	 50,000 sq ft	 40-50,000 sq ft
 30-50,000 sq ft	 35-45,000 sq ft	 35,000 sq ft

# RENTAL GROWTH

Prime rental growth (% pa)



Source: CBRE

# OFFICE OCCUPIER SUMMARY

IMPROVING  
MARKET  
CONDITIONS  
& OCCUPIER  
SENTIMENT

INCREASED TAKE-UP  
& ENCOURAGING UNDER  
OFFER STATS

GOOD CONFIDENCE &  
TRANSPARENCY IN  
ACTIVE DEMAND

TOTAL SUPPLY LEVELLING  
OFF, WITH MORE POSITIVE  
TENANT WITHDRAWAL STORY

EMERGENCE OF TWO-TIER MARKET

WHAT IS  
HAPPENING  
IN OUR  
PORTFOLIO



# IMPROVING BUSINESS SENTIMENT

## 1. Headcount

- In July 2021 80% of our top occupiers were looking to increase or maintain headcount, up from 55% a year ago

## 2. Rent collection

- Offices near pre-covid levels (June 2021 quarter now 98% received)

## 3. Vacancy

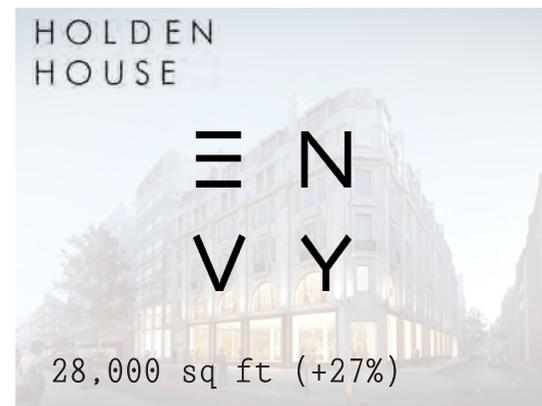
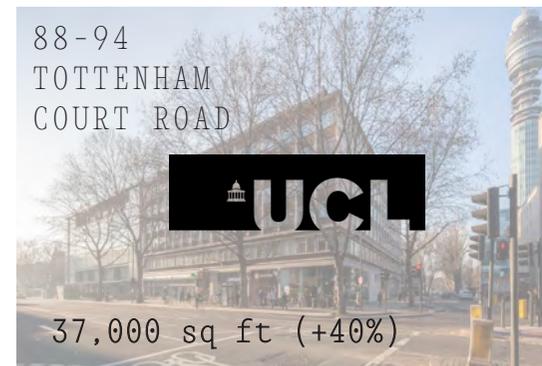
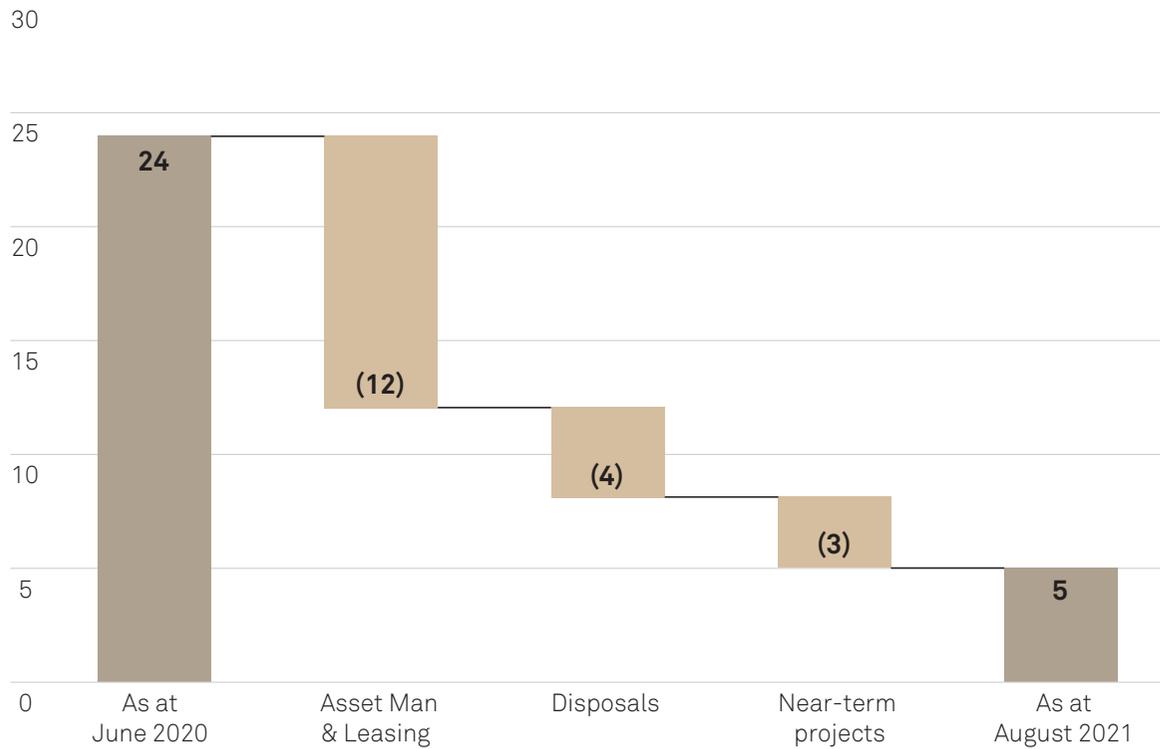
- 2.4% in August vs 1.8% at start of year

## 4. Office re-occupation

- Steadily improving

# MANAGING 2021 LEASE EXPIRY & BREAKS

Activity to address portfolio breaks and expiries in 2021



# OTHER ACTIVITY



# CUSTOMER SURVEY FEEDBACK

HYBRID /  
AGILE WORKING

RETURN TO THE  
OFFICE POSITIVE  
FOR BUSINESS

CULTURE,  
COLLABORATIVE WORK,  
SOCIAL INTERACTION,  
NEW BUSINESS,  
TRAINING & WELLBEING

ATTRACT /  
RETAIN  
TALENT

THE "RIGHT" SPACE & LOCATION

KEY DEMAND  
DRIVERS &  
OUR RESPONSE



# OCCUPIER DRIVERS

AN ACCELERATION OF CHANGE

Brand  
Smart  
Agility  
Digital  
Innovation  
Experience  
Productivity

Wellbeing  
Data  
Wellbeing  
Mentoring

Amenity  
Talent  
Training

Adaptability  
Intelligent  
Wellness  
Sustainability  
Culture  
Collaboration  
Health &  
Safety

# LISTENING TO OUR OCCUPIERS

WORK IS A  
PLACE YOU GO,  
NOT JUST A  
THING YOU DO

FLIGHT TO  
QUALITY

THE OFFICE IS  
A PLACE TO:  
WORK  
COLLABORATE  
INNOVATE  
INTERACT  
PRODUCE  
MENTOR

WE LISTEN, WE LEARN, WE ACT

# OUR RESPONSE - BUILDING ON THE BRAND

Driving the right initiatives, setting us apart from others to make Derwent London a more valuable overall offer for the customer, which will set us apart from others



DL/78.W1

Shared Amenity  
Village Hubs &  
Furnished + Flexible units



Customer Service  
Experience & Amenity



INTELLIGENT  
BUILDINGS

Digital transformation  
Intelligent Buildings  
Customer App

OUR JOURNEY TO  
**NET ZERO**  
2030

Sustainability  
Net Zero Carbon

Derwent London,  
A Continually Developing Story

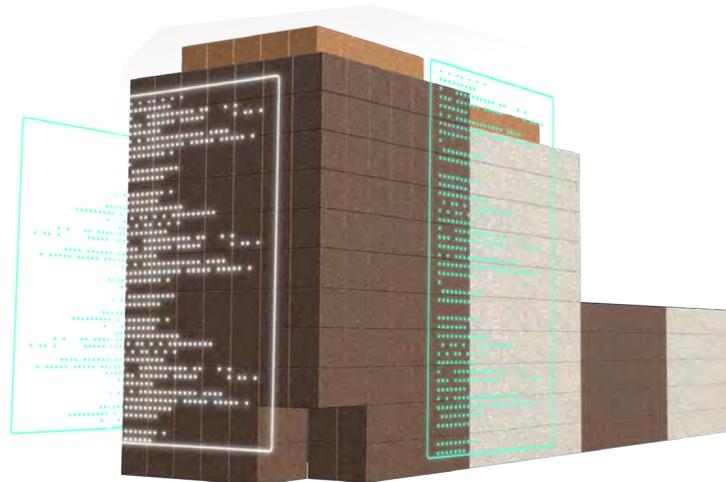
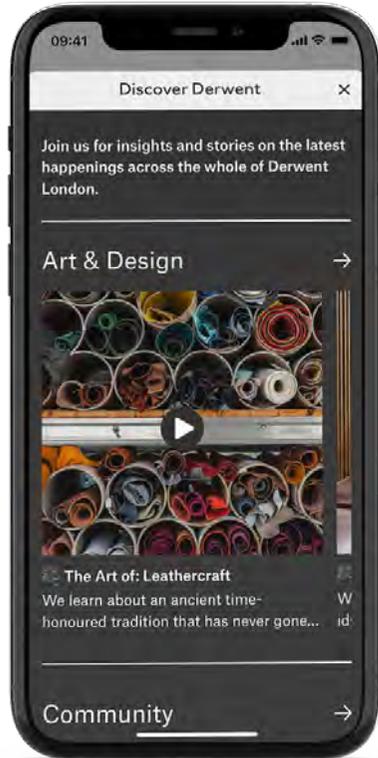
THINKING  
ABOUT  
DESIGN



# DESIGN

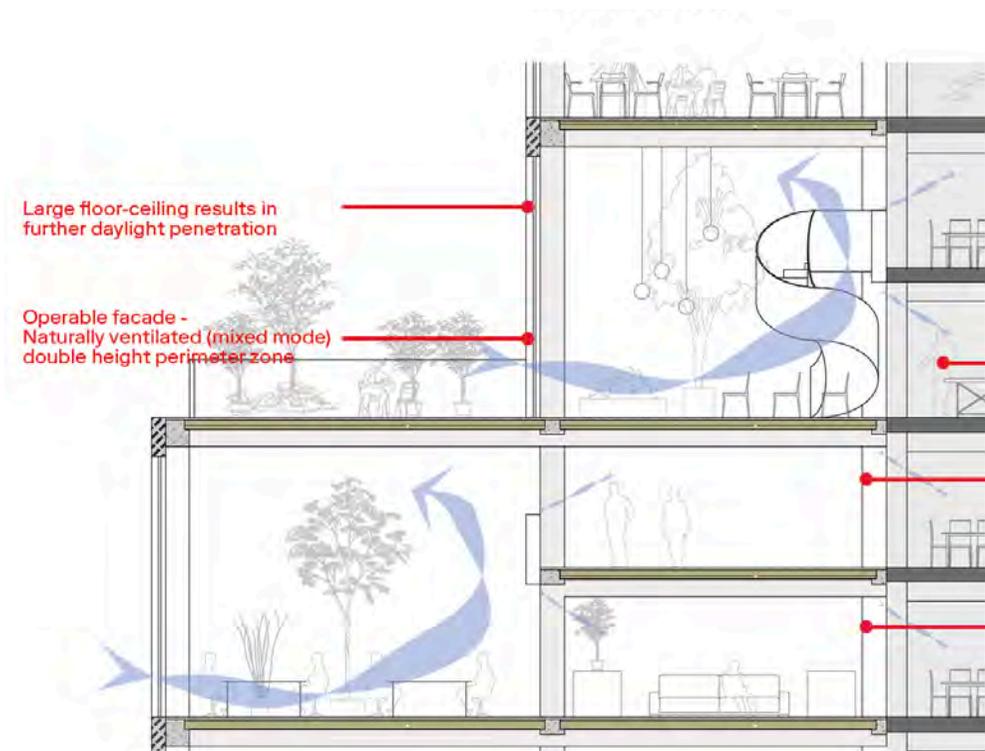


# DESIGN



Connect &  
control

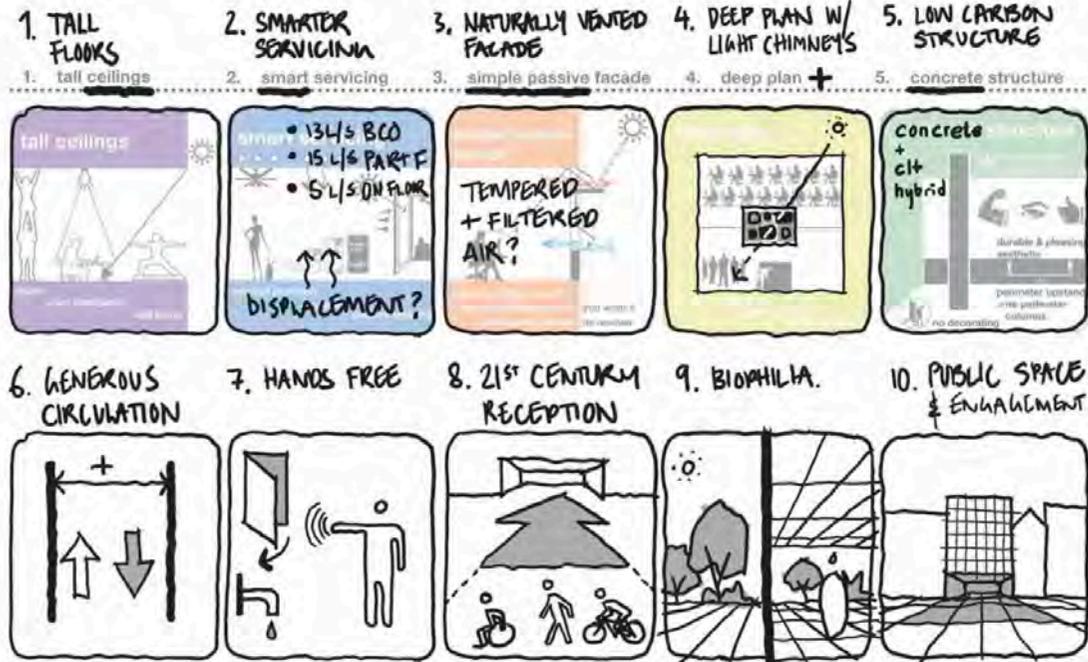
# DESIGN



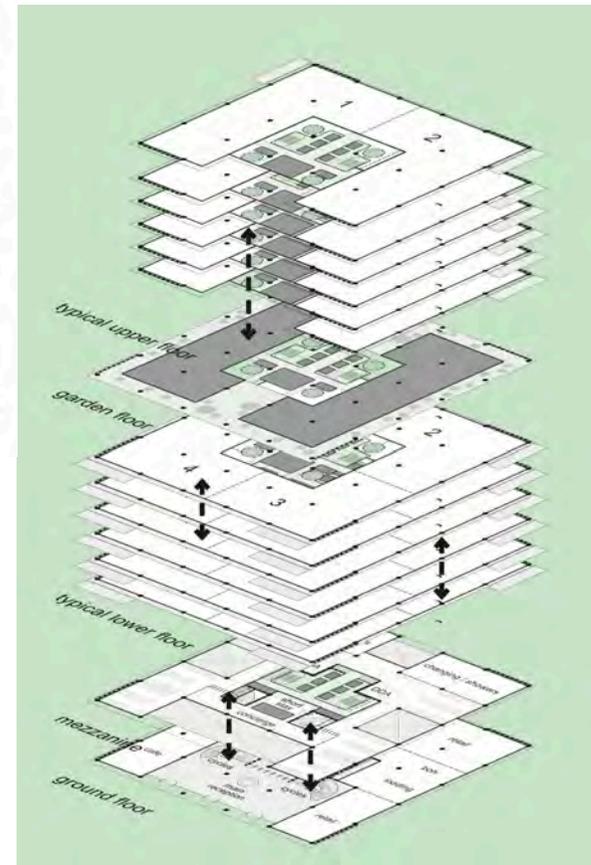
Challenge



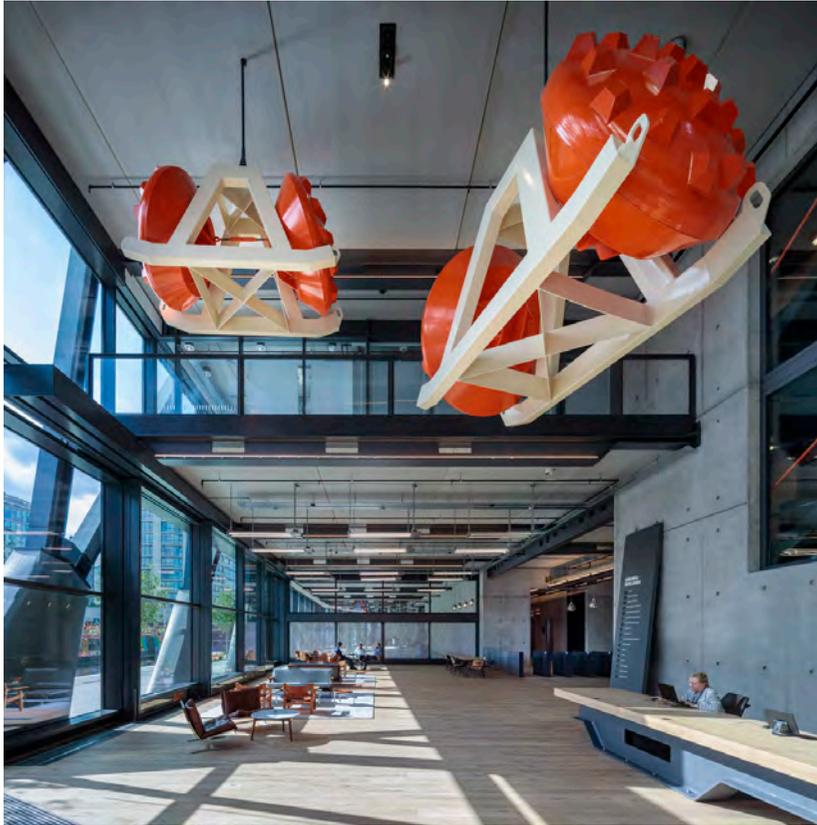
# DESIGN



Desirable & relevant



# DESIGN



Generosity



# DESIGN



Volume & light

# DESIGN



Amenity



# DESIGN



Wellbeing



# DESIGN

## BRUNEL BUILDING



Creating the very best  
canvas for London's  
businesses & talent



# DESIGN

80  
CHARLOTTE  
STREET.

FITZROVIA W1



Creating the very best  
canvas for London's  
businesses & talent

# DRIVING PORTFOLIO AMENITY & OVERALL DERWENT LONDON OFFER

FURNISHED \* FLEXIBLE \*

DL/78.W1



Furnished + Flexible spaces

A new offer



# DESIGN - AN EXCITING PIPELINE



Distinctly  
Derwent



Our journey  
continues

A SUSTAINABLE  
PORTFOLIO -  
NET ZERO  
CARBON



# NET ZERO

NET ZERO  
CARBON  
BY 2030

## Our Drivers:

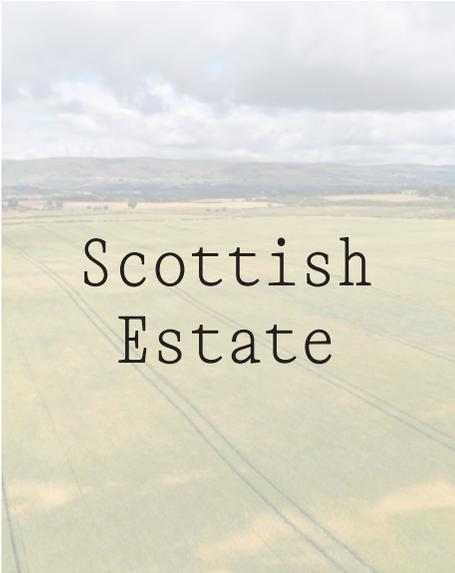
It is good for  
our business

Future-proofing  
the portfolio

Meeting Stakeholder  
expectations

Collaborating with  
Customers

# NET ZERO



# NET ZERO

## Business Activity



## Renewable Energy

All our electricity supplies are on renewable tariffs and we are working with our suppliers to move our gas supplies onto renewable tariffs

## Corporate Carbon Accounting

Developing our approach to carbon accounting which looks to integrate carbon forecasting into our wider business

## Green Finance

First REIT to sign a Revolving Credit Facility with a £300m green tranche

# NET ZERO



New  
Developments

## Reducing Energy

Baker Street now formally registered with NABERS UK, targeting a minimum of 4 stars

## Embodied Carbon

Low carbon materials and construction methods - Soho Place & The Featherstone Building have reduced embodied carbon by over 10% during construction

## Carbon Offsetting

We have formalised our carbon accounting for our development schemes with 19,000 tonnes offset at 80 Charlotte Street

# NET ZERO

## Existing Portfolio



### Customer Engagement

We have issued a Net Zero Carbon survey to our existing customers potentially creating future collaboration opportunities

### Reducing Energy

We have set building specific energy targets in line with a 1.5°C climate scenario (2030)

### EPCs

Detailed assessment of our portfolio looking at our alignment to proposed legislative changes i.e. EPC 'B' by 2030

# NET ZERO

## Green Leases



### Lease Agreements

Detailed review of our standard lease to strengthen our existing sustainability requirements

### Fit Out

In tandem with the lease review we are updating our 'Licence to Alter' to reflect our Net Zero requirements

### EPCs

Effectively compliant with the 2023 requirements & over 40% of the portfolio meets the potential 2030 requirement

# NET ZERO

## Scottish Estate



### Carbon Offsets

40ha of Woodland Carbon Code planted in 2015 which has started to produce its first carbon credits - exploring further expansion



### Renewable Energy

Site studies completed for a 100 acre solar farm - potential to cover over 40% of the portfolio's electricity needs - linking our Scottish Estate to our London portfolio

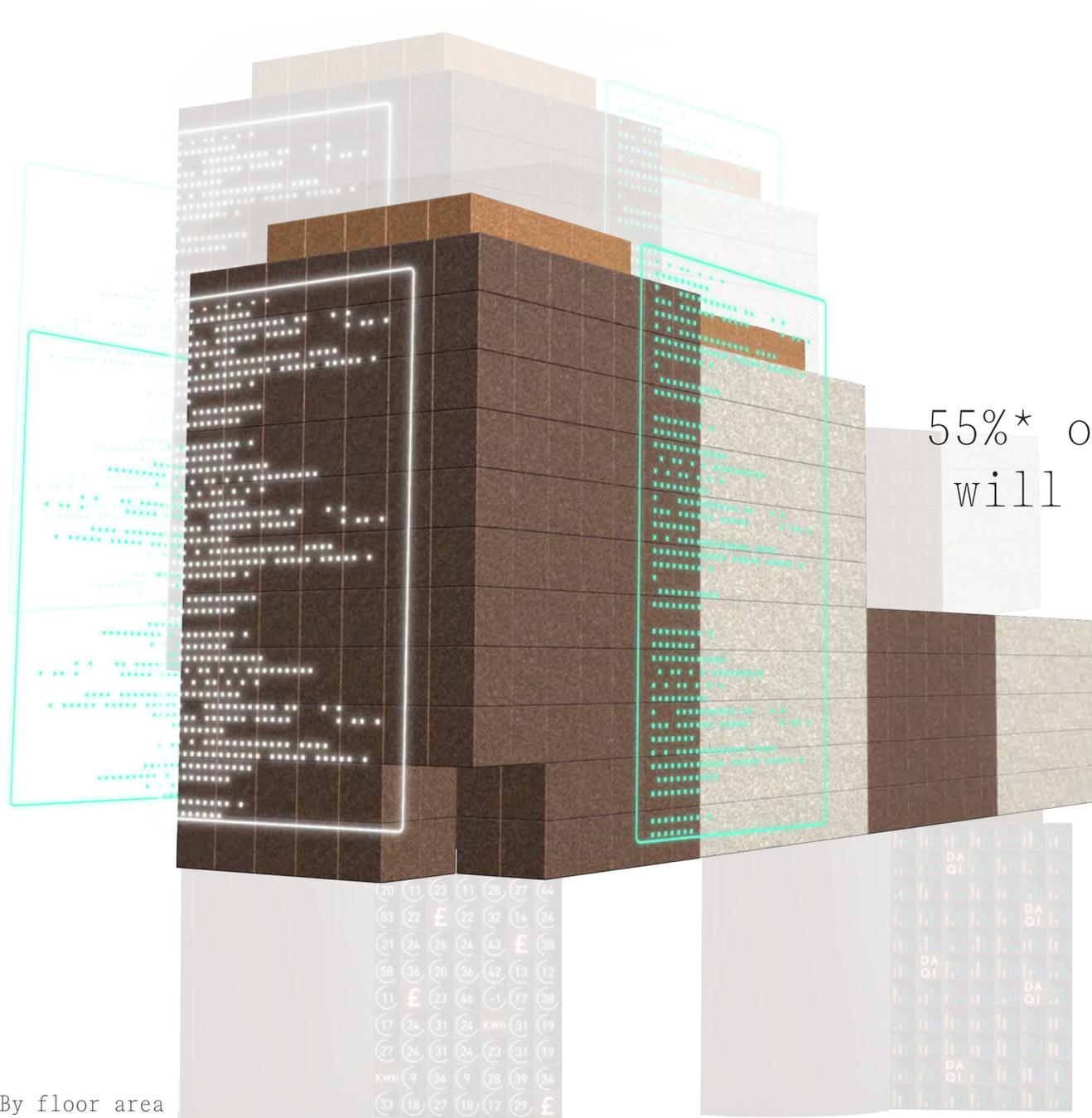
DIGITAL  
STRATEGY &  
AN INTELLIGENT  
PORTFOLIO



# DIGITAL STRATEGY



# INTELLIGENT BUILDINGS

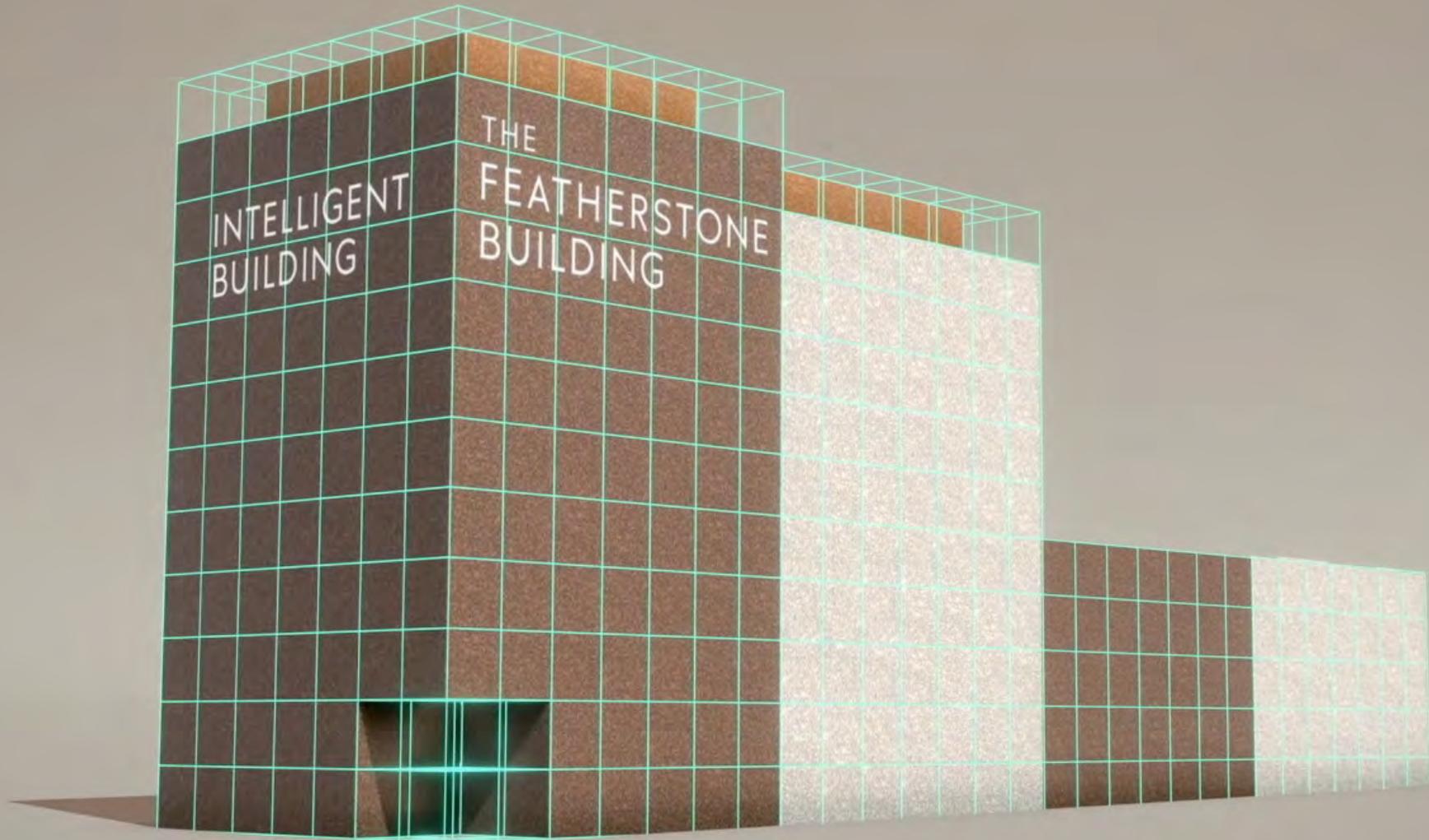


By 2023

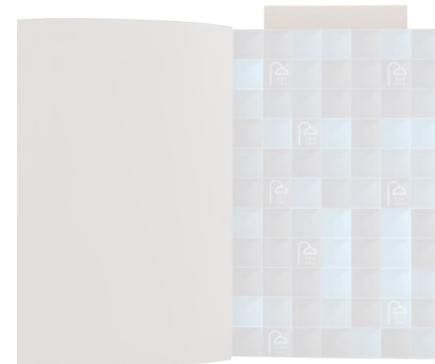
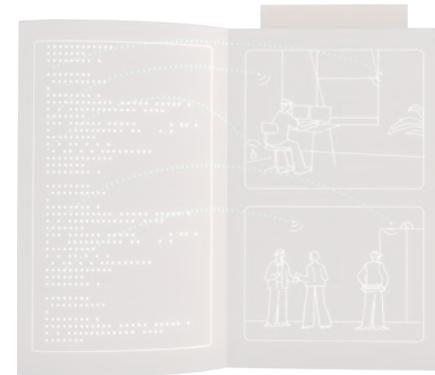
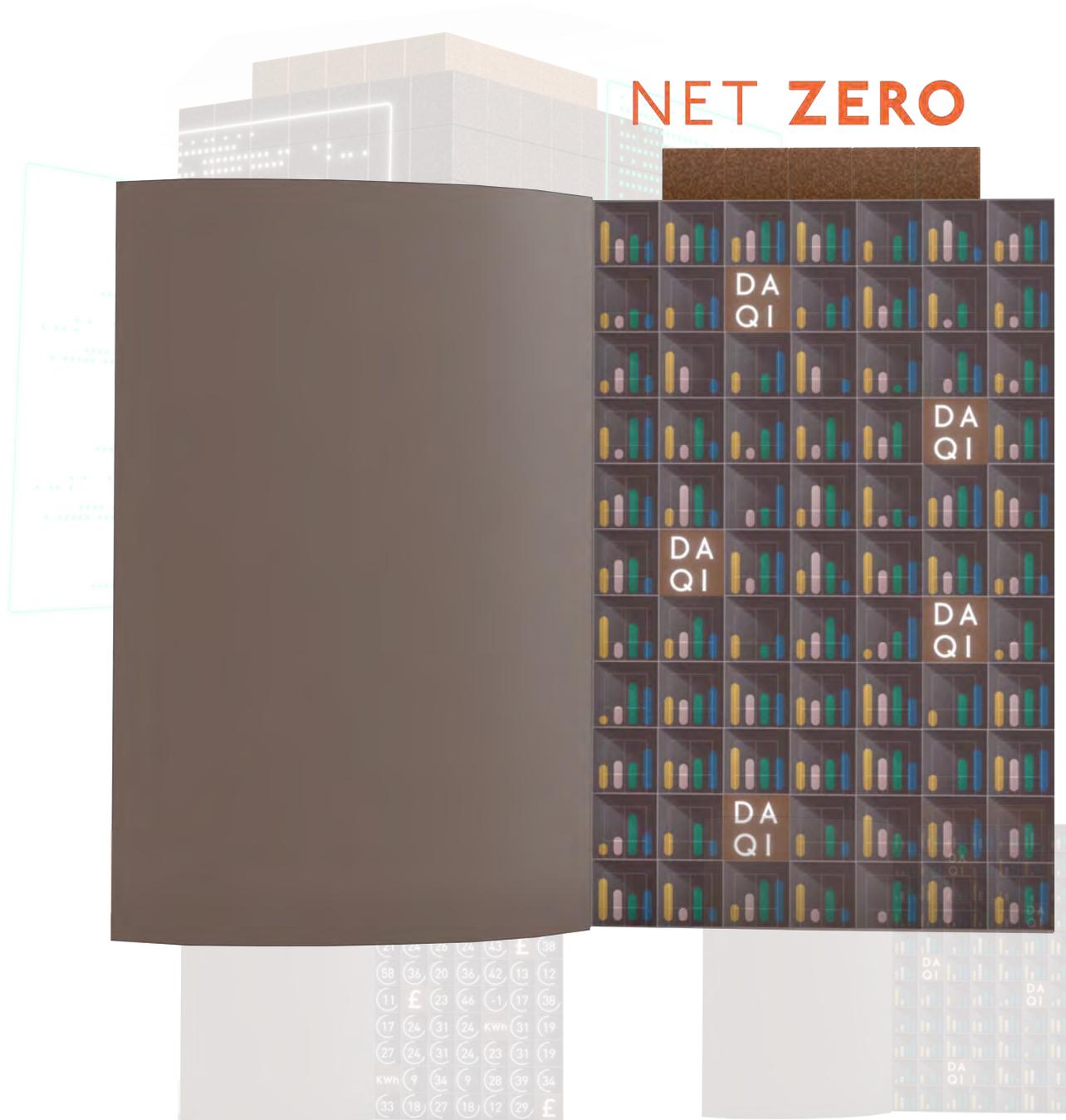
55%\* of our portfolio  
will be Intelligent



\*By floor area



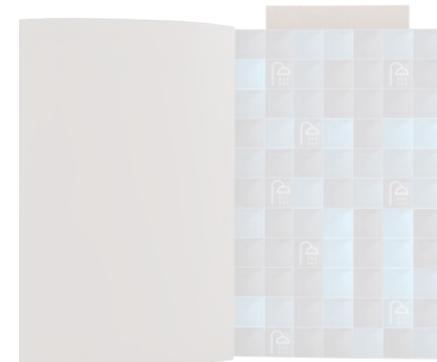
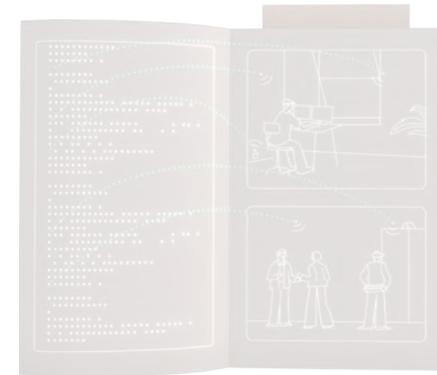
# INTELLIGENT BUILDINGS



Carbon



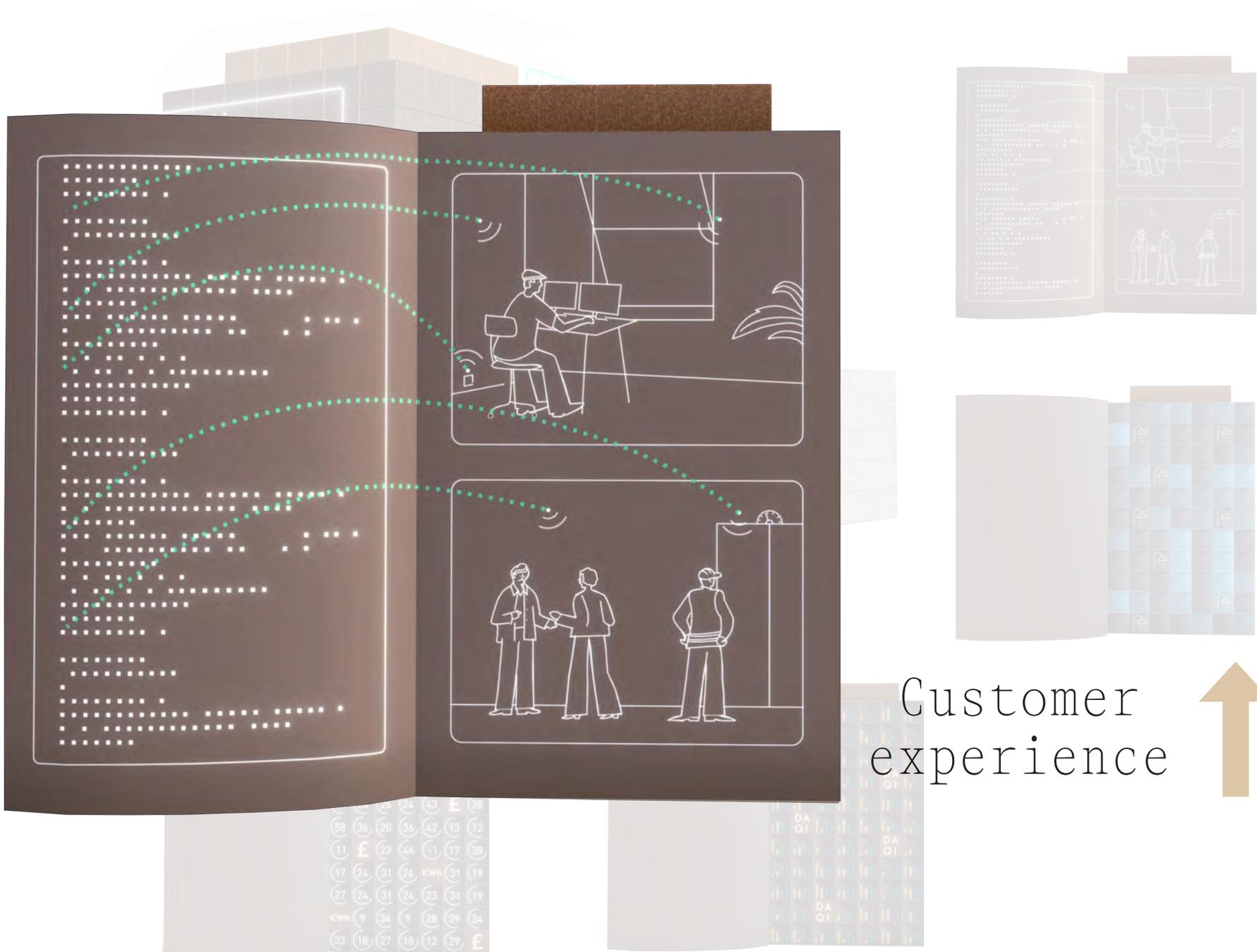
# INTELLIGENT BUILDINGS



Costs



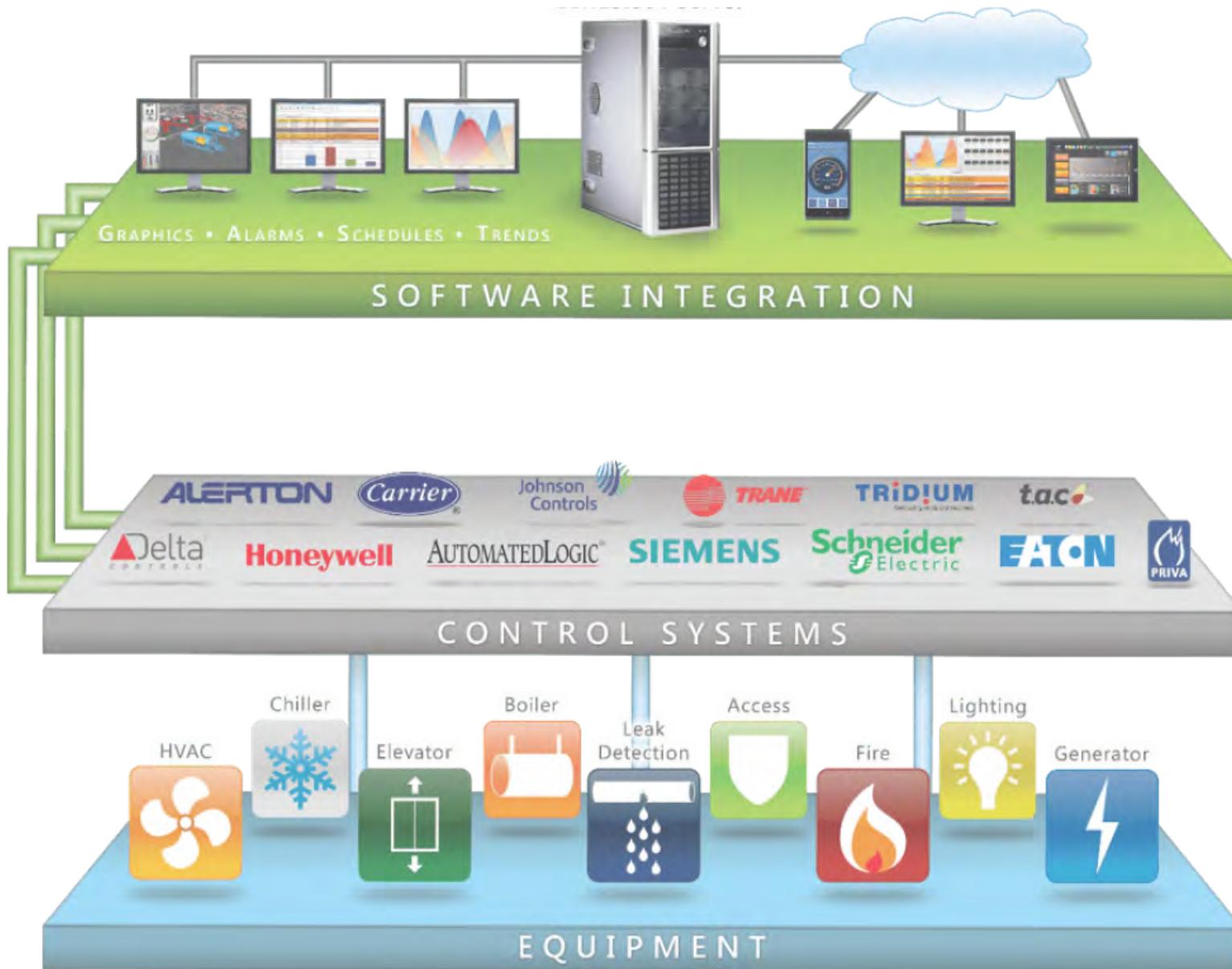
# INTELLIGENT BUILDINGS



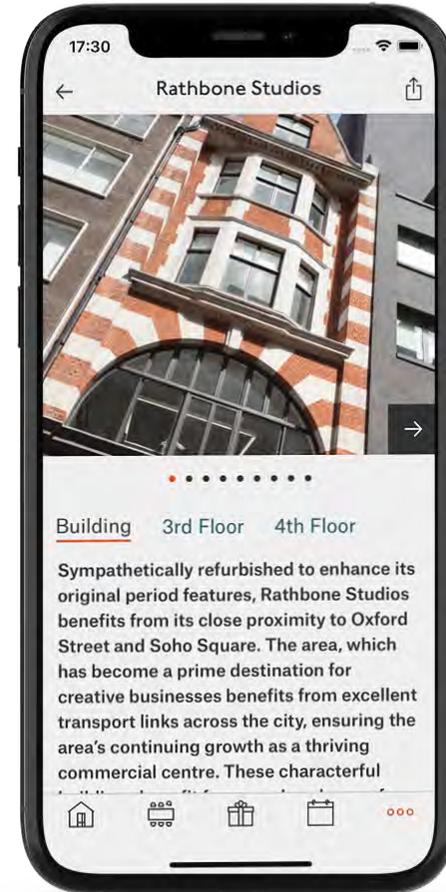
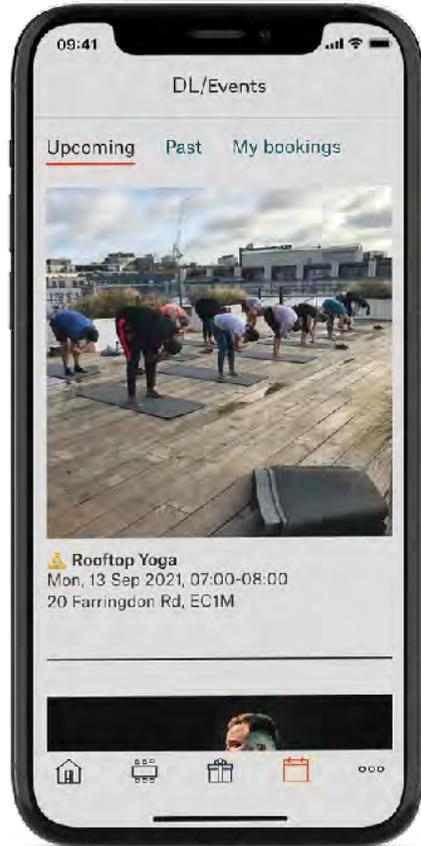
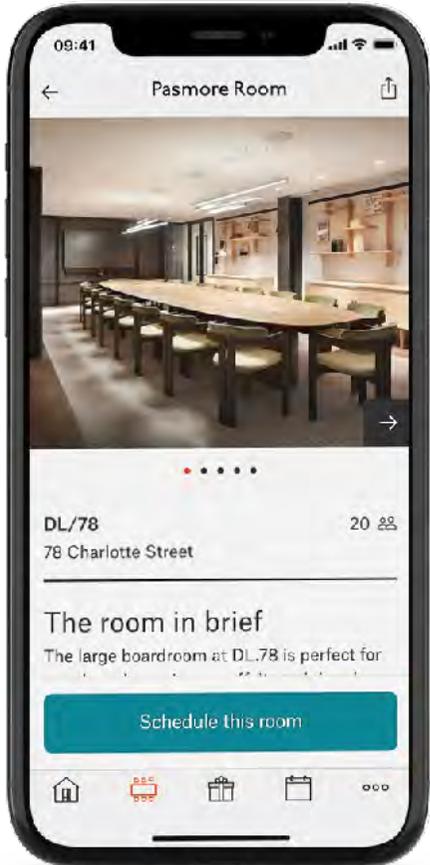
Customer  
experience

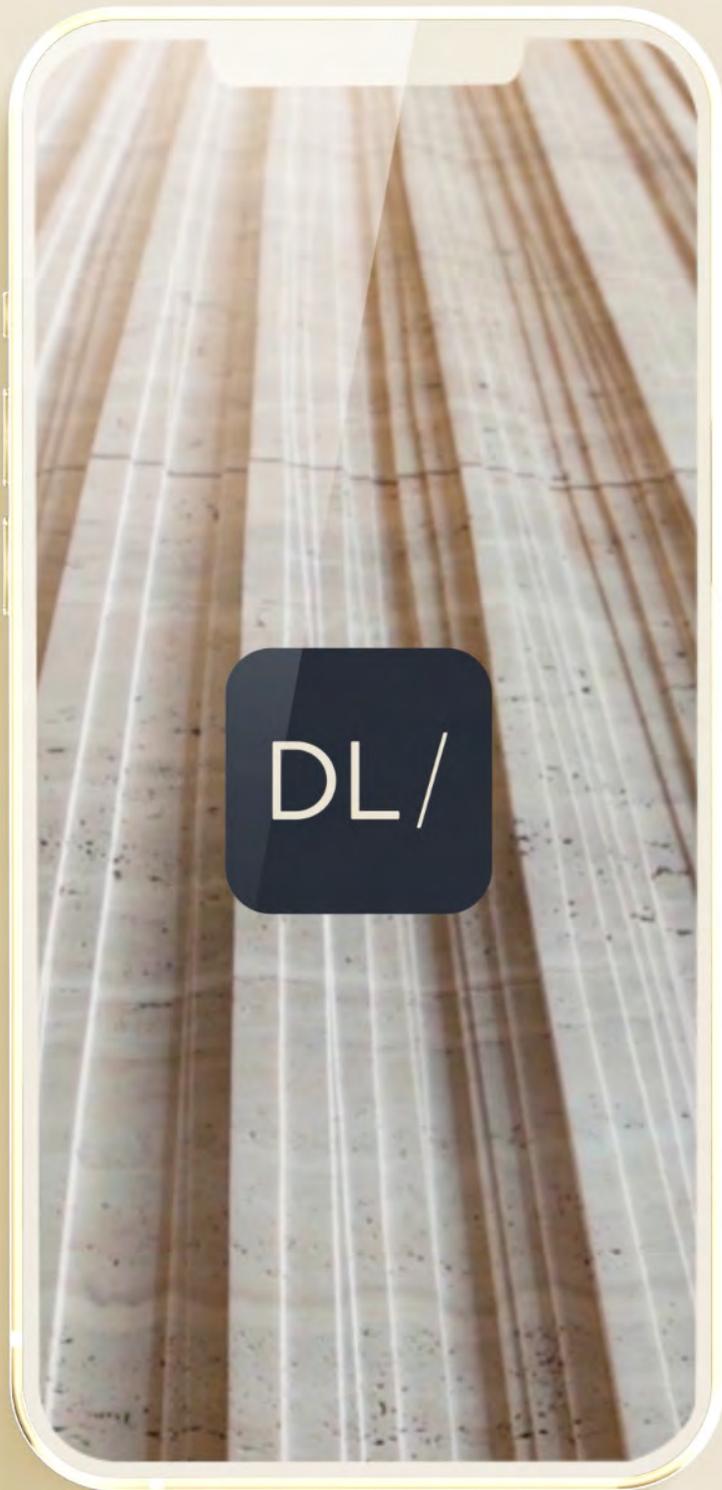


# INTELLIGENT BUILDINGS



# CUSTOMER EXPERIENCE





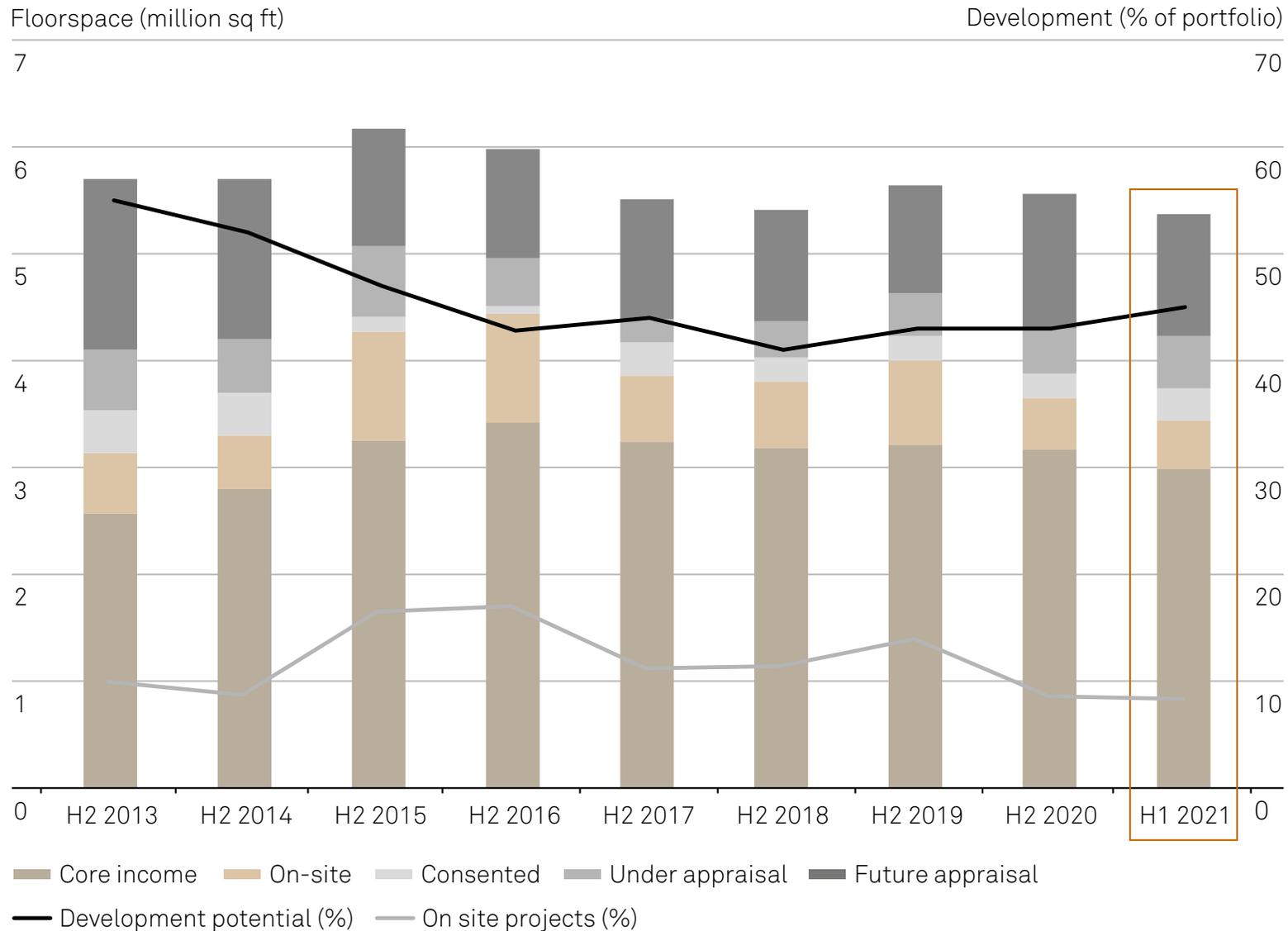
# DEVELOPMENTS



# DEVELOPMENT AGENDA

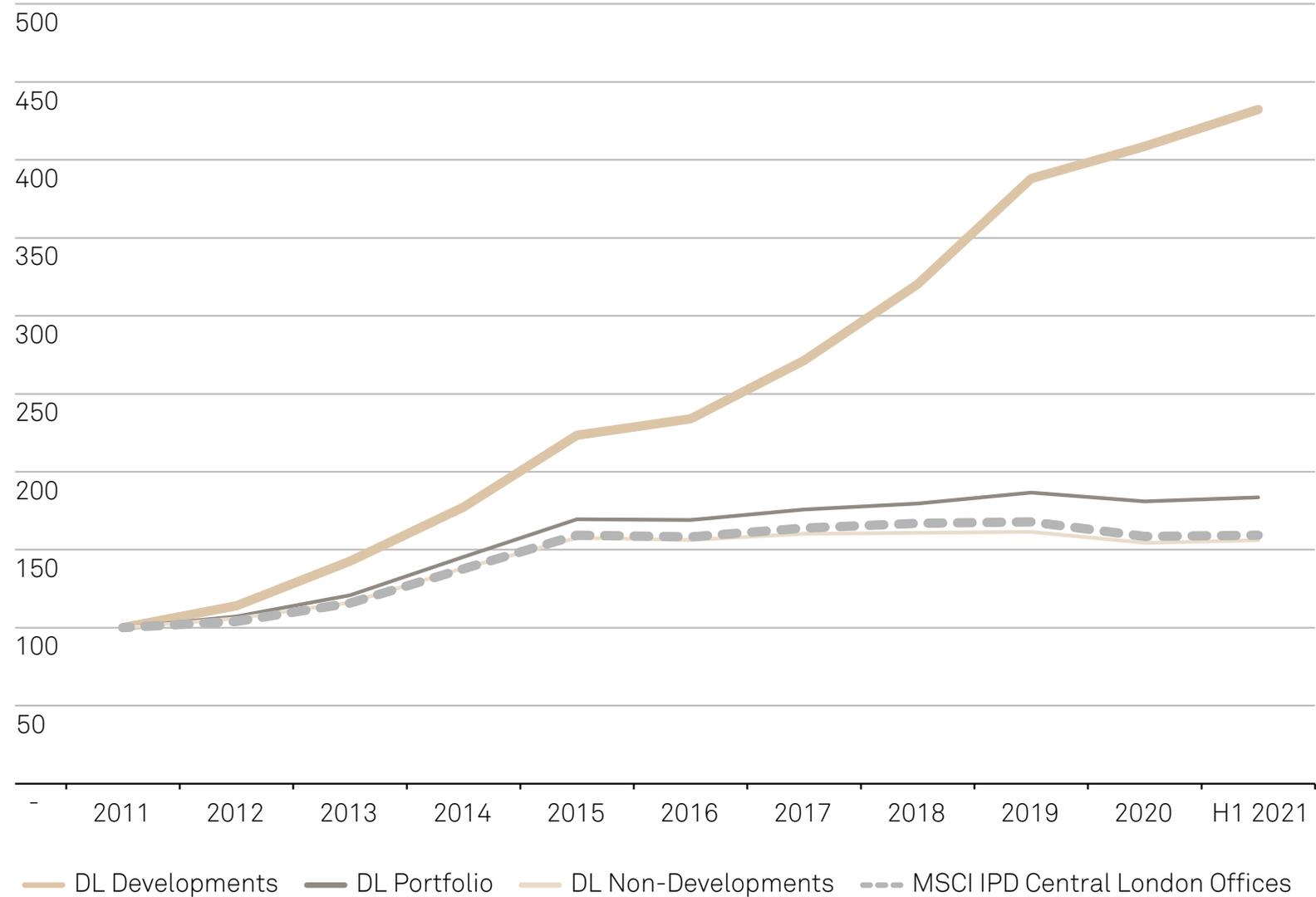
Introduction	Richard Baldwin, Director of Development
19-35 Baker Street	Benjy Lesser, Development Associate Mike Taylor, Hopkins Architects
Network Building	Tim Hyman, Group Architect Stuart Piercy, Piercy & Company
Bush House	Jonathan Theobald, Development Manager & Investment Associate

# DEVELOPMENT IS A MAJOR PART OF OUR BUSINESS



# DEVELOPMENT ACTIVITIES ENHANCE OUR PROPERTY PERFORMANCE

Capital Growth Index (2011=100)



# COLLABORATION



# Soho Place



**NET ZERO**



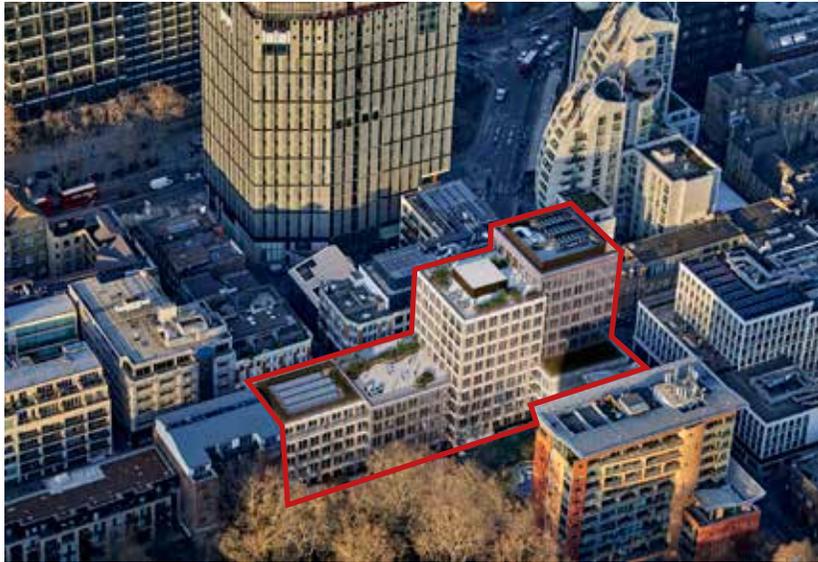
# Soho Place

**NET ZERO**



# THE FEATHERSTONE BUILDING

NET ZERO



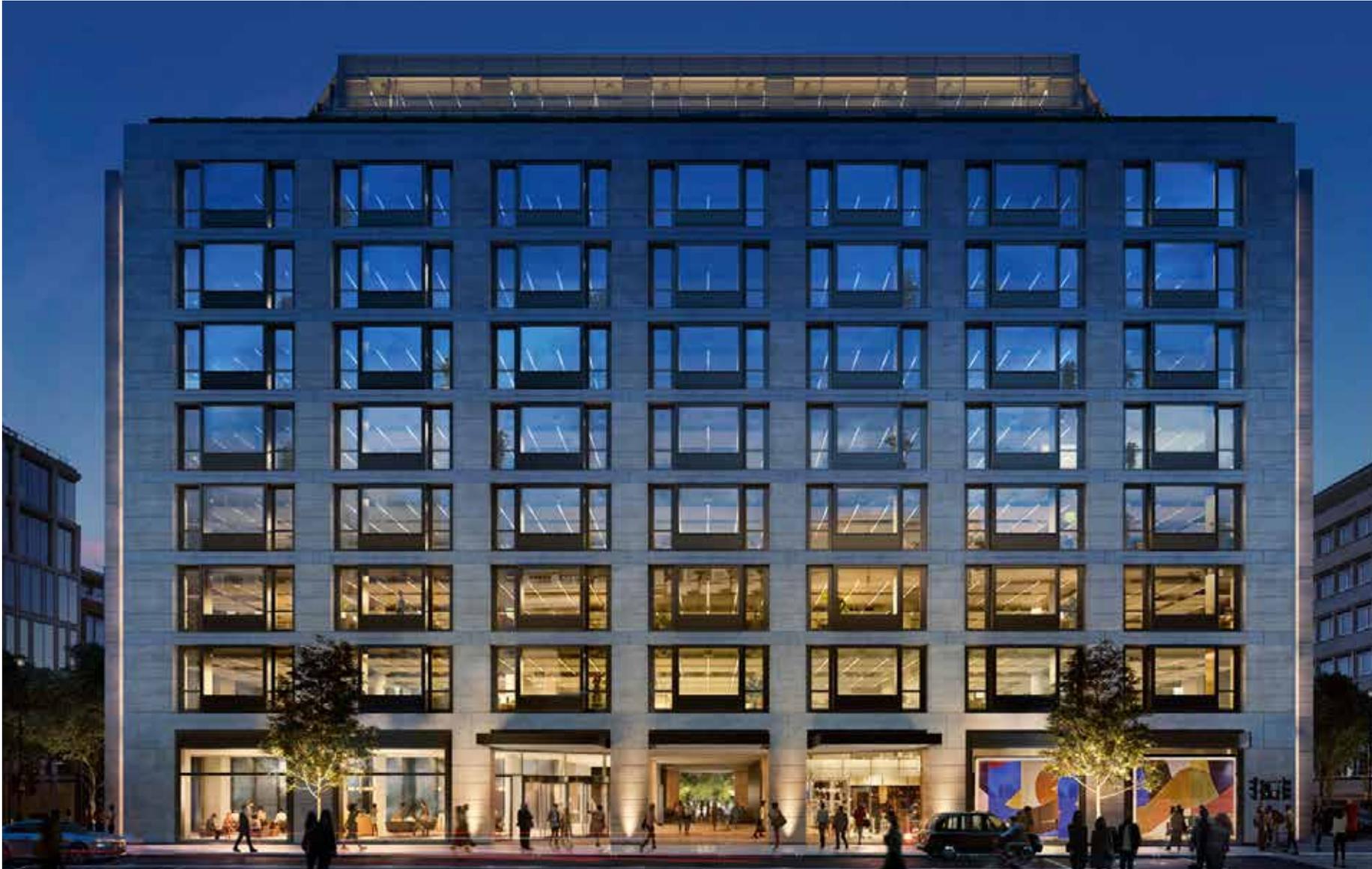
THE  
FEATHERSTONE  
BUILDING

NET ZERO



# 19-35 BAKER STREET

NET ZERO



# NETWORK BUILDING

NET ZERO



# BUSH HOUSE

**NET ZERO**



# PROCUREMENT

**BREXIT**

**Pandemic**

**Building materials  
shortages**

**Inflation**

**Labour Supply**

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**ENGAGEMENT**

**REPUTATION**

**RELATIONSHIPS**

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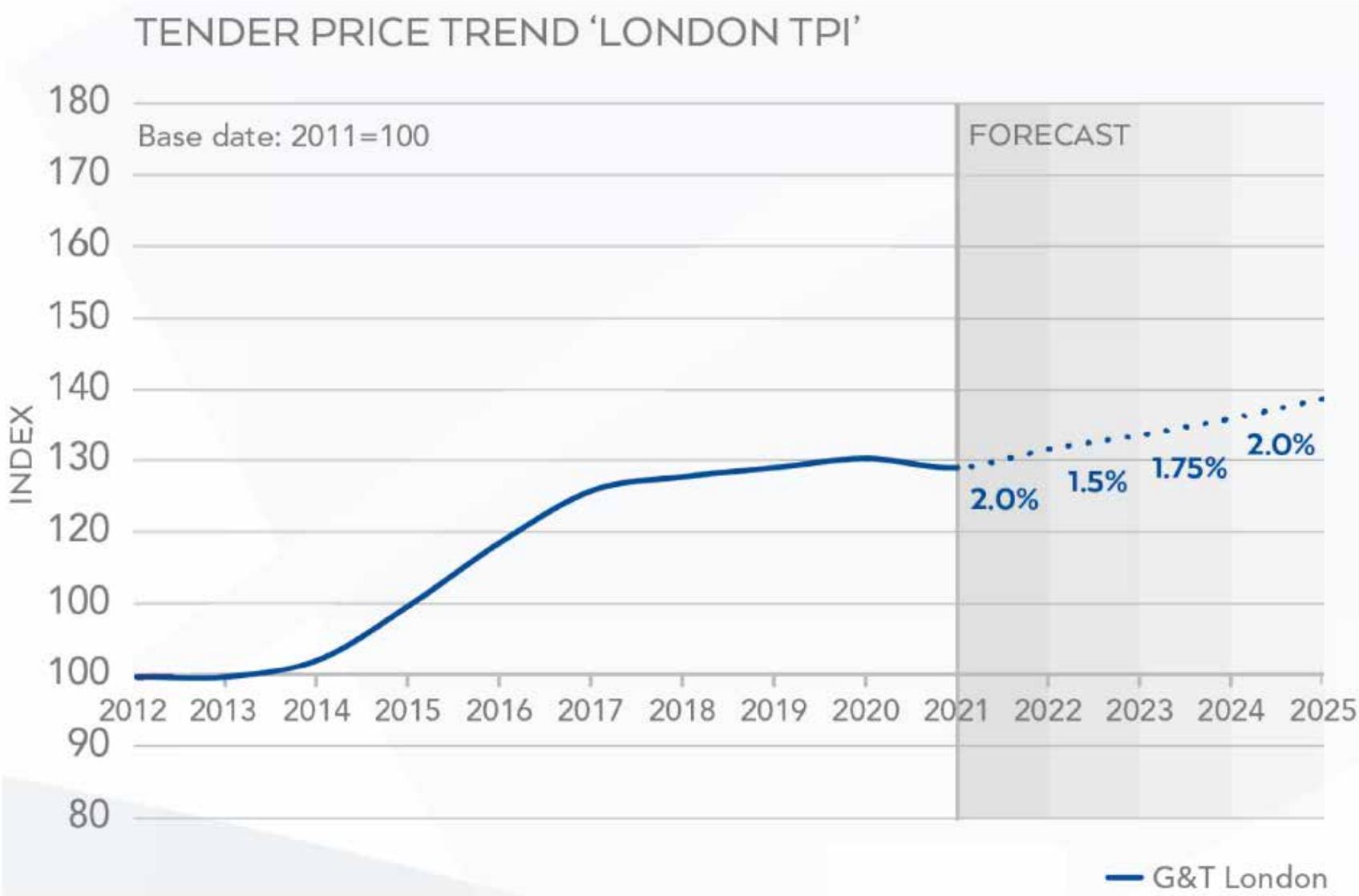


Explore Manufacturing



SRW Mechanical & Electrical

# INFLATION



Source: Gardiner & Theobald

19-35  
BAKER STREET  
W1



# SCHEME OVERVIEW

217,000 SQ FT NIA	OFFICES
29,000 SQ FT NIA	RETAIL (MAJORITY PRE-SOLD)
45,000 SQ FT NSA	RESIDENTIAL (41 UNITS)
7,000 SQ FT NSA	AFFORDABLE HOUSING (10 UNITS)
<hr/>	
298,000 SQ FT	(100% AREA GAIN)

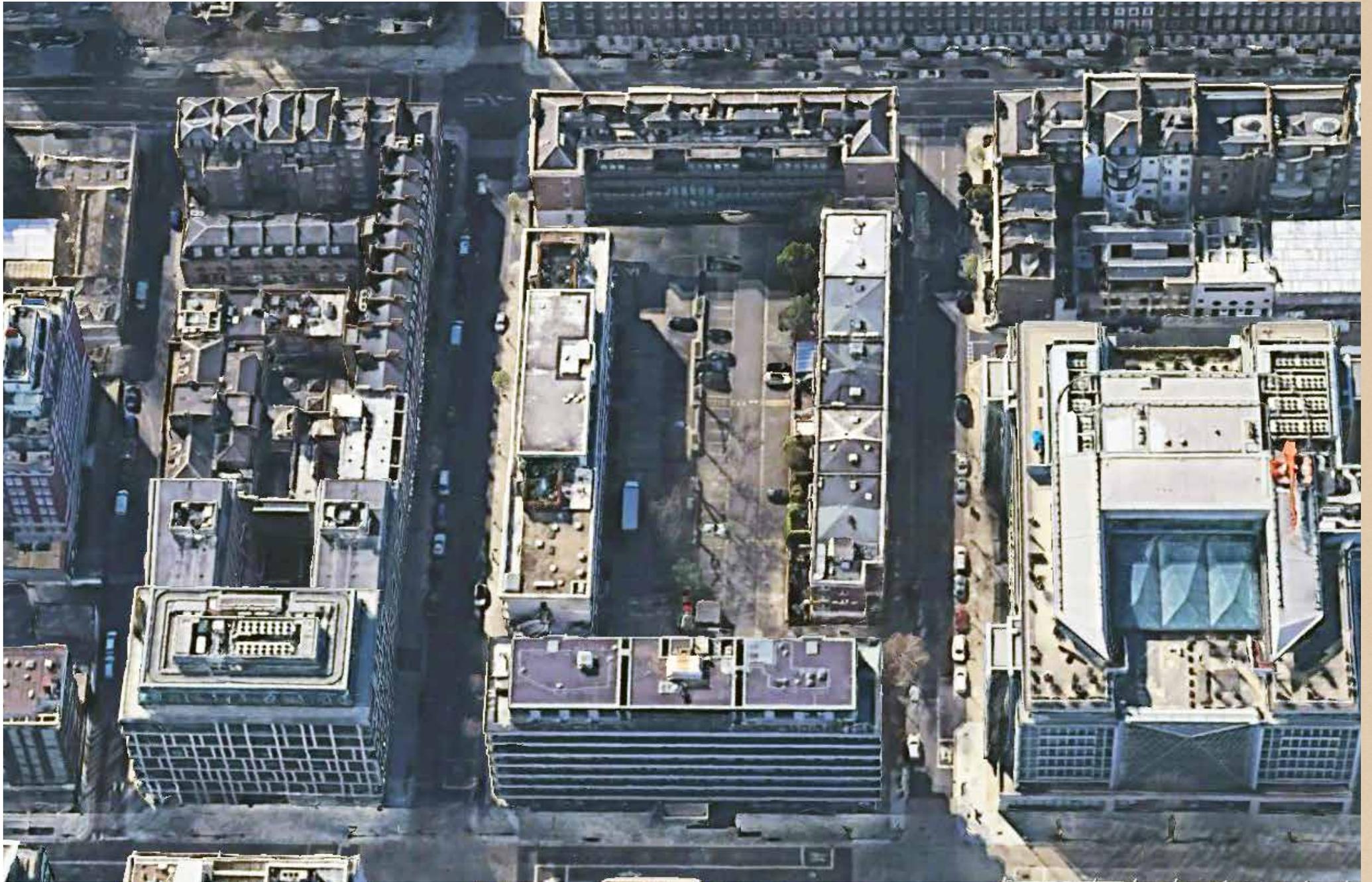
VP:	SEPT 2021
START ON SITE:	OCT 2021
TARGET COMPLETION:	Q2 2025
ESTIMATED CAPEX:	£271M







AERIAL VIEW OF SITE



AERIAL VIEW OF SITE



GROUND FLOOR PEDESTRIAN ROUTE / CREATING A NEW PLACE



GROUND FLOOR - RETAIL & RESIDENTIAL



GROUND FLOOR - OFFICES / RECEPTION



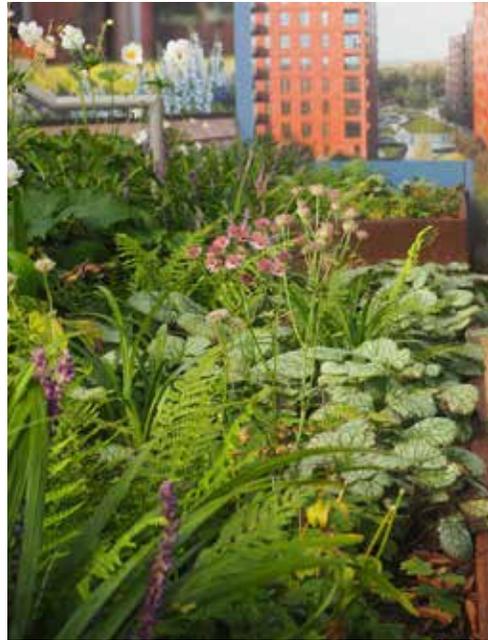
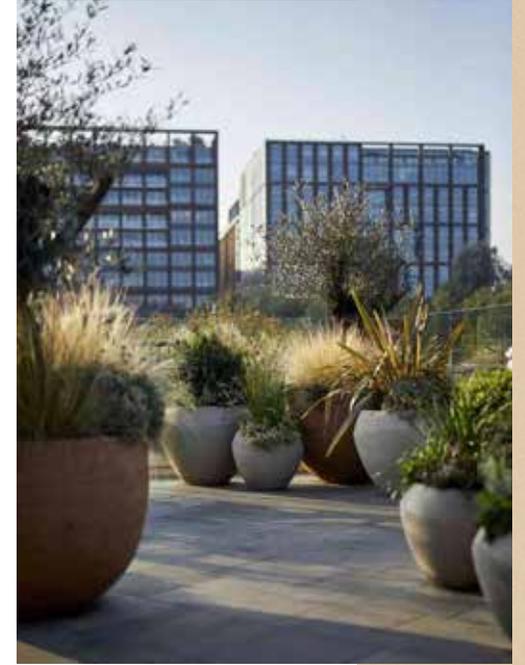
BAKER STREET ELEVATION



BAKER STREET ELEVATION DUSK



CENTRAL COURTYARD VIEW

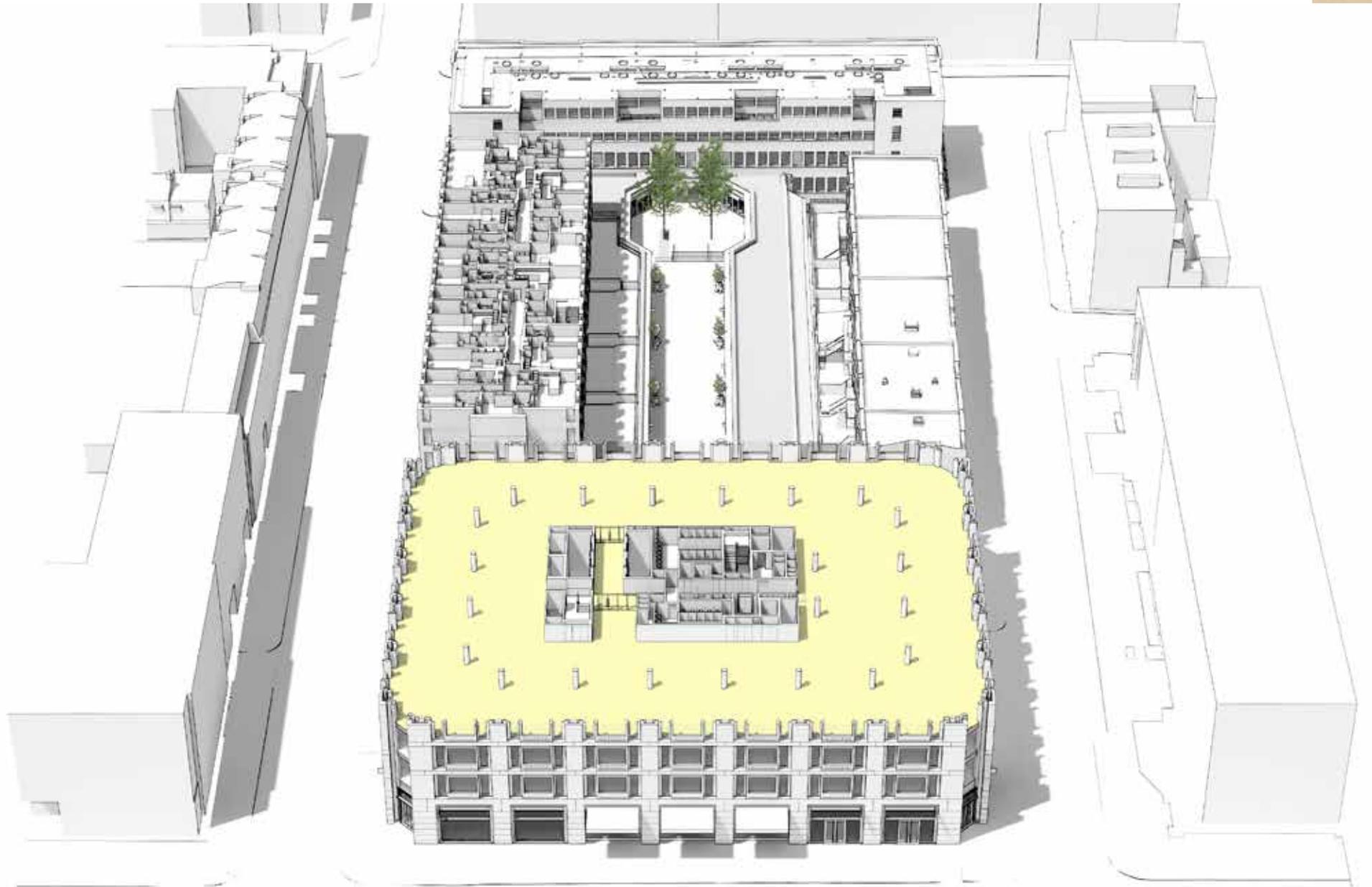




CORNER VIEW



RECEPTION



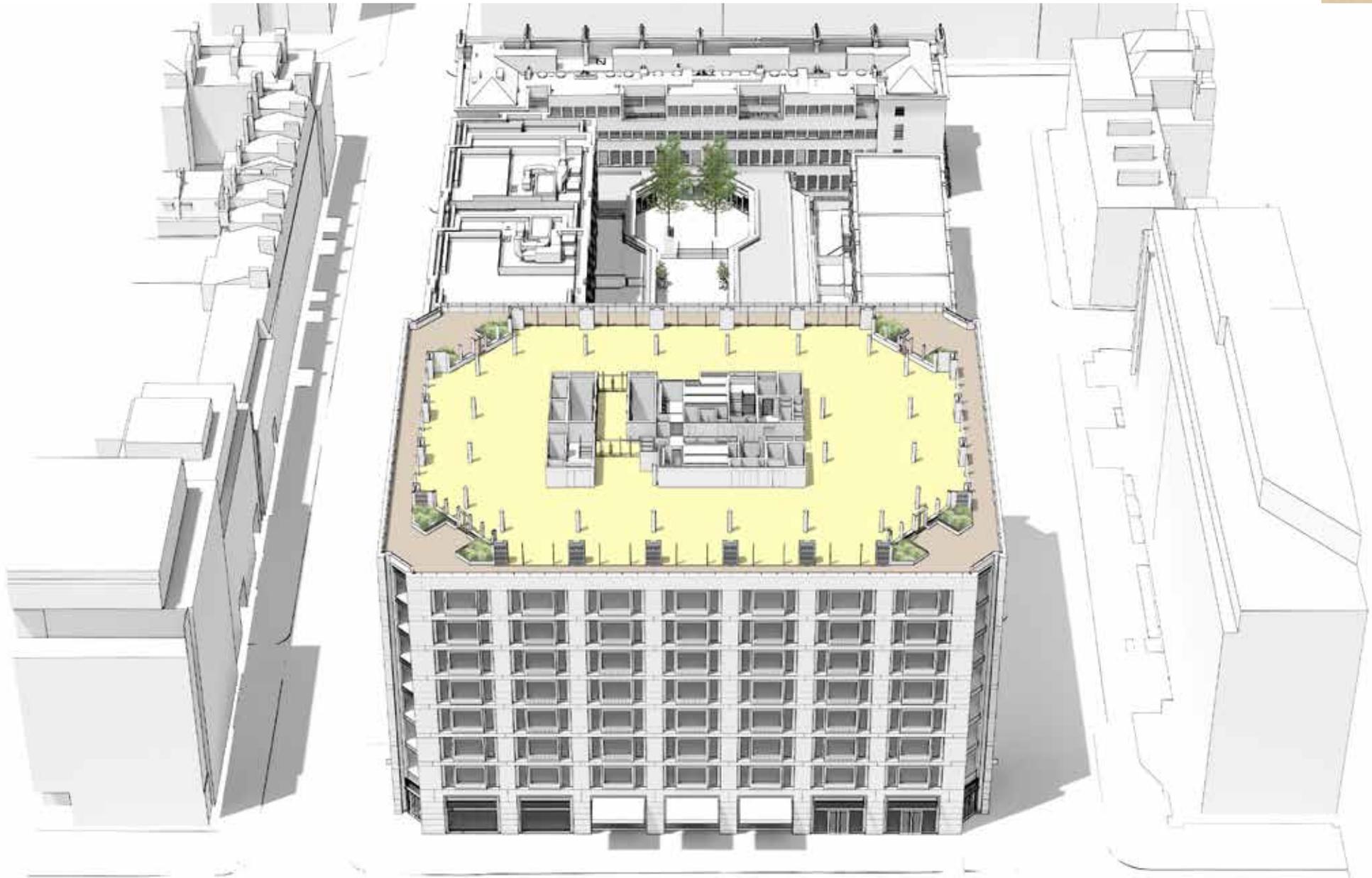
TYPICAL OFFICE FLOOR - 24,700 SQ FT FLOOR PLATE



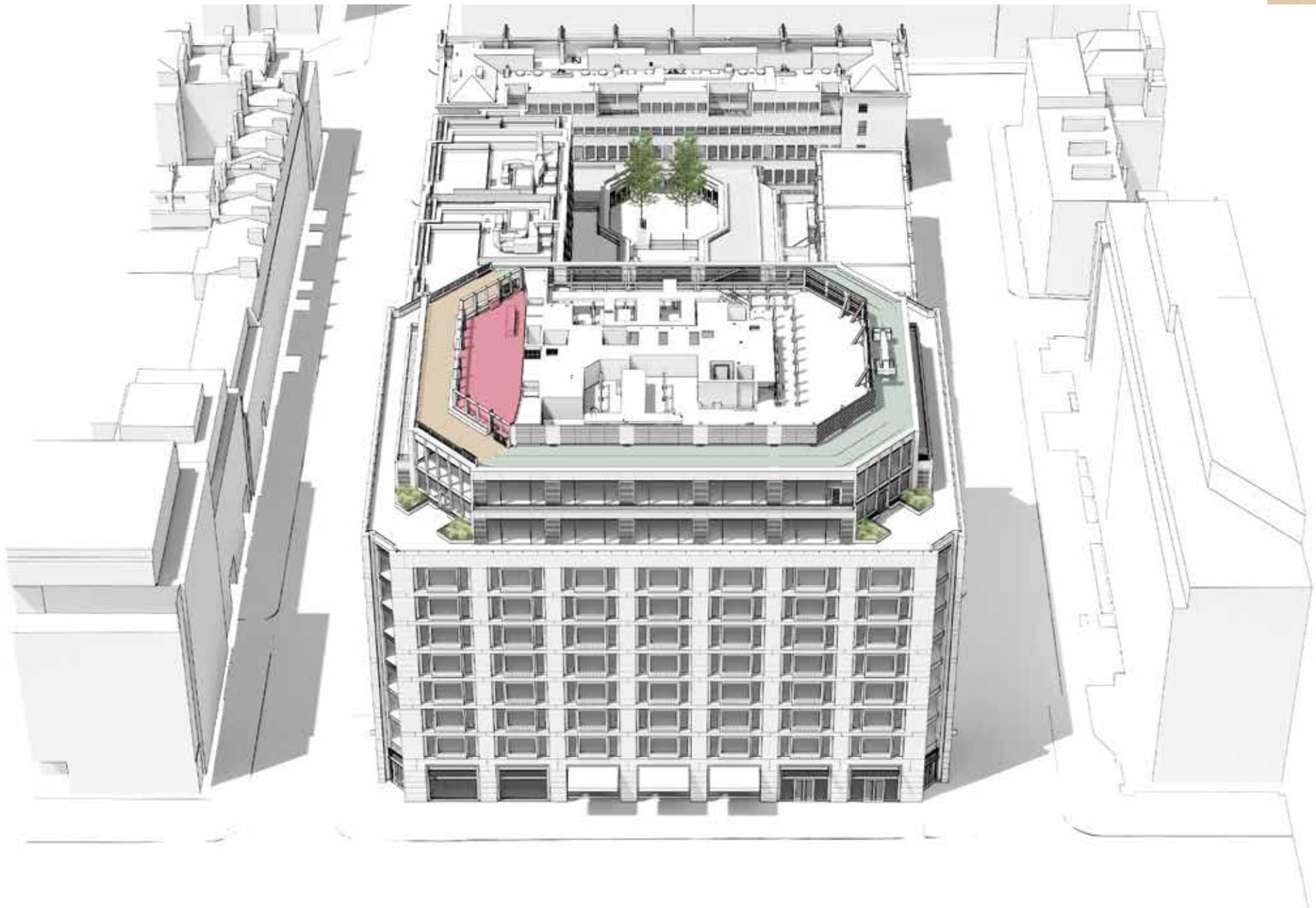
LIFT LOBBY







LEVEL 8 - 17,278 SQ FT FLOOR PLATE / EXTERNAL TERRACES



ROOF LEVEL / SHARED AMENITY & TERRACE



ROOF LEVEL AMENITY SPACE - 1,615 SQ FT

BAKER STREET OFFICE

BREEAM  
Target Outstanding

WIRED  
Platinum

EPC  
'A' Rating

Nabers  
4 stars

WELL 'Enabled'  
Building

LEED  
Gold



- NET ZERO
- All electric building
  - Openable windows
  - Natural ventilation
  - Covid-safe design principles



BREEAM  
Excellent  
BAKER STREET &  
GEORGE ST RETAIL



Home Quality  
Mark 4.5 stars  
GEORGE STREET  
RESI

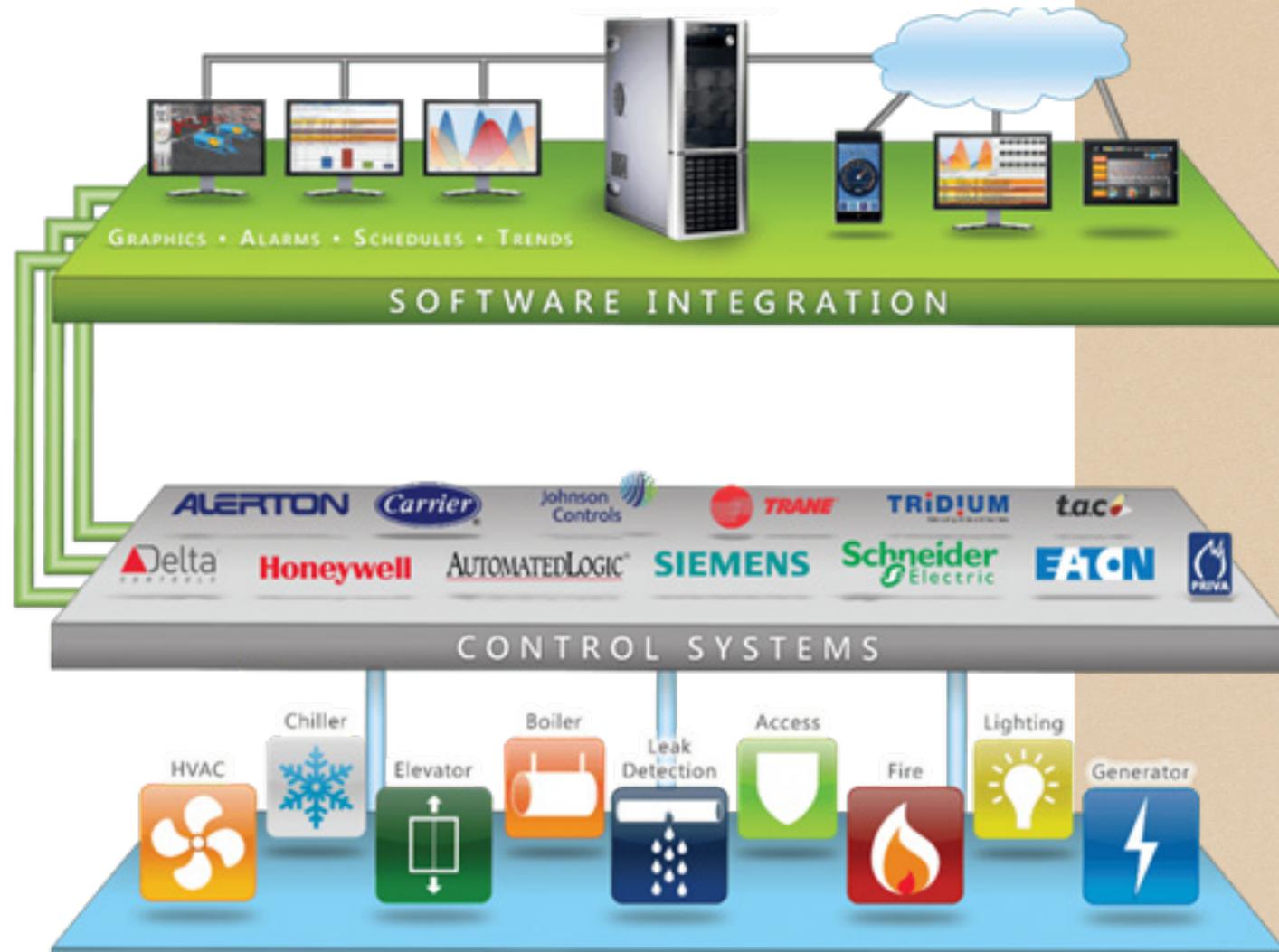


BREEAM  
Excellent  
30 GLOUCESTER  
PLACE OFFICE



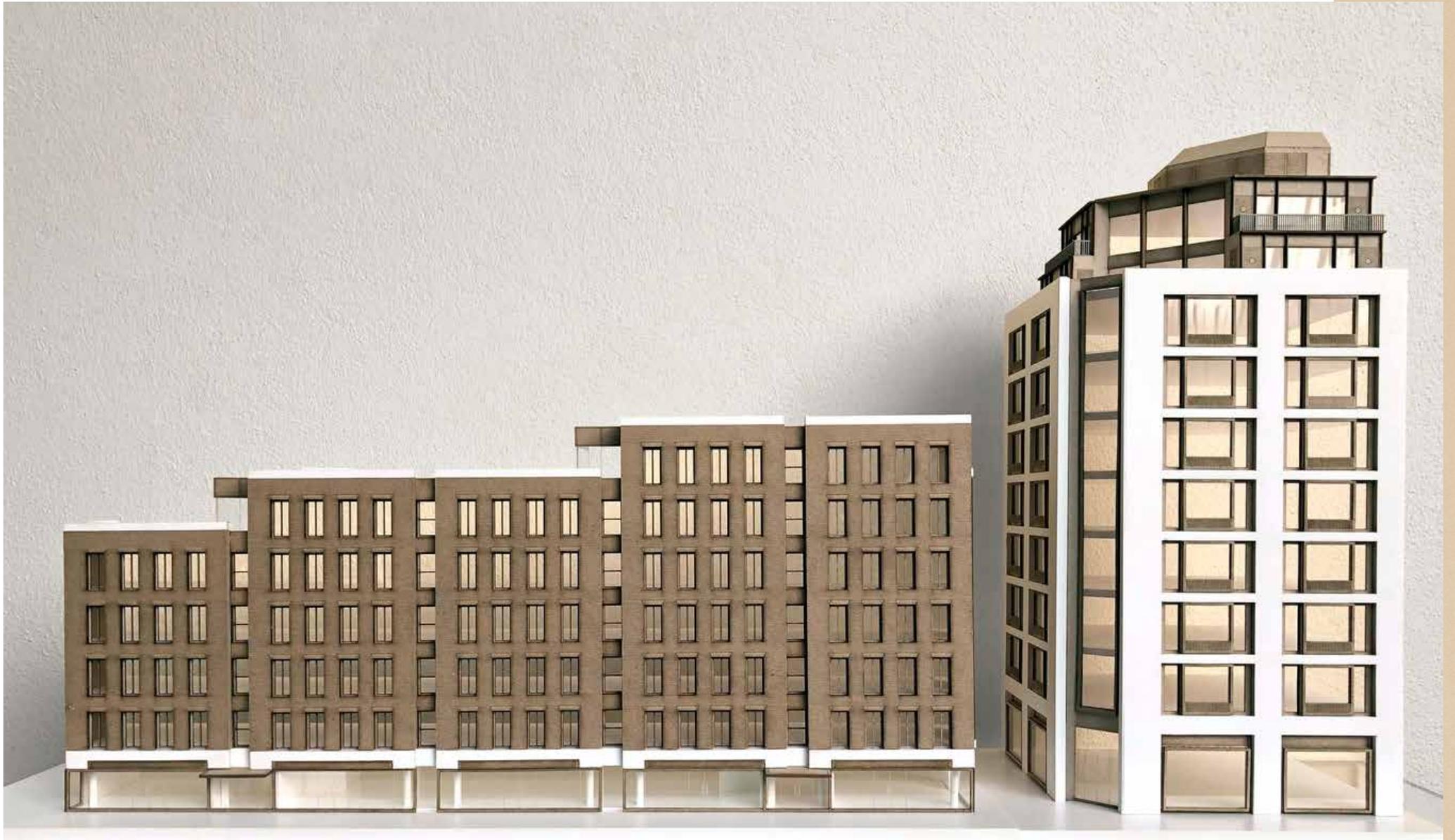
BREEAM  
Very Good  
30 GLOUCESTER  
PLACE RESI

- Smart from the start
- Integrated Derwent Digital Building Platform bespoke operational software
- AI to optimise plant & maximise efficiency, reduce energy
- Future proofed for Workplace Sensors providing tenants with real time space analytics, boosting wellbeing and improved occupier experience

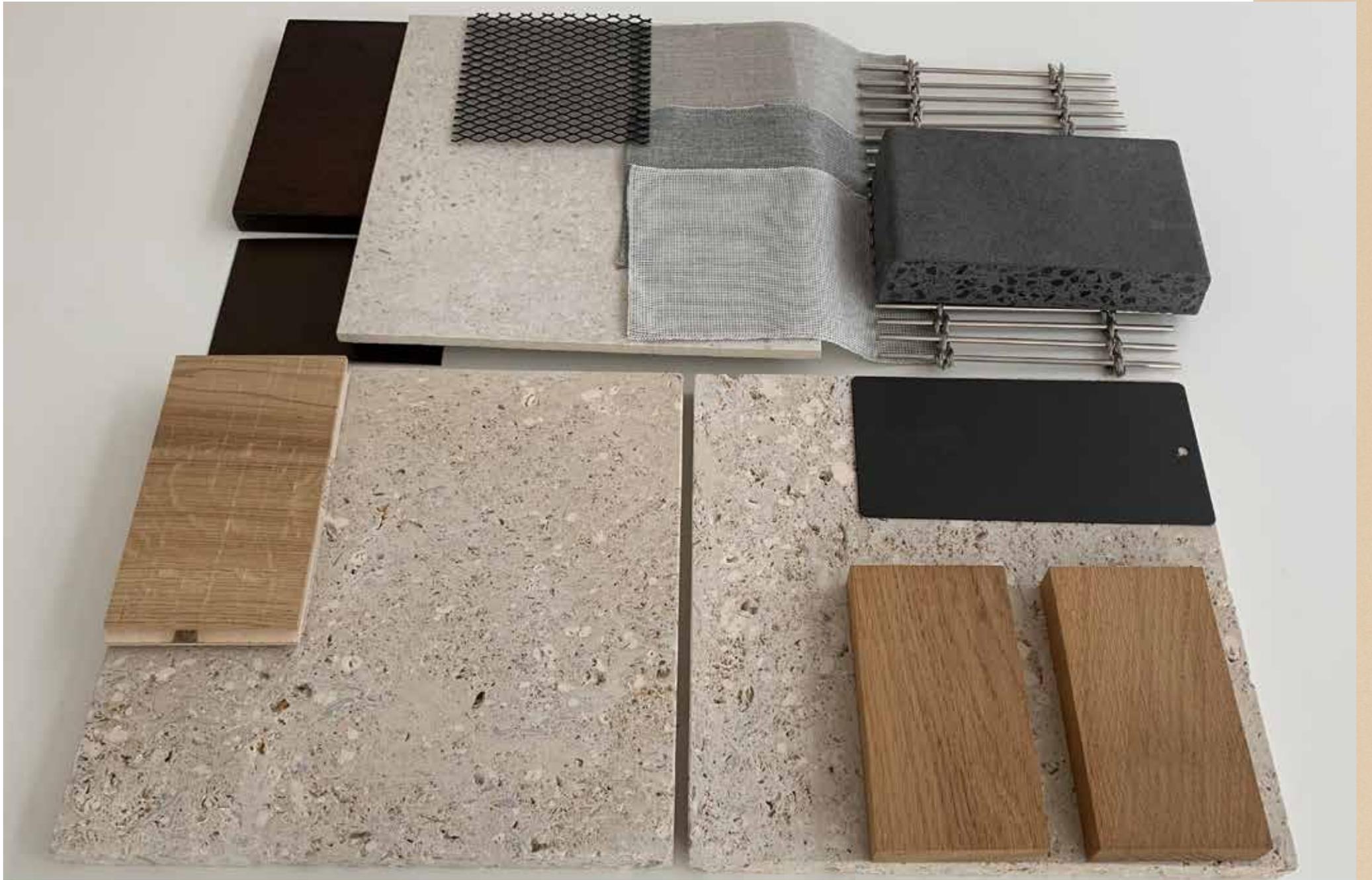




URBAN MODEL



FACADE MODEL





THE  
NETWORK  
BUILDING W1

FITZROVIA, LONDON



## EXISTING BUILDING



## PROPOSED OFFICE DEVELOPMENT



## KEY DATES

- Planning resolution to grant dual consent: July 2021
- Vacant possession: June 2022
- Start on-site: July 2022
- Practical completion: Q3 2025
- Estimated capex c.£110m

FLOOR	NIA AREA SQ FT
8th	6,372
7th	16,275
2nd-6th	17,513
1st	15,220
Ground Office	2,820
Ground Reception	2,950
Ground Retail	4,930
Lower Ground	3,025
<b>TOTAL</b>	<b>137,284</b>

Facade Study Model



Material Palette



Sculptural Facade Piers

**BREEM<sup>®</sup>**  
OUTSTANDING

BREEM 'Outstanding' target rating



LEED 'Platinum' target rating



WELL v2 enabled (for future tenant certification)



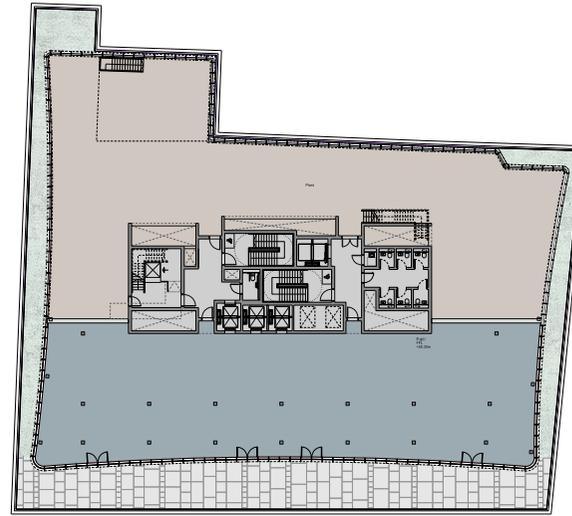
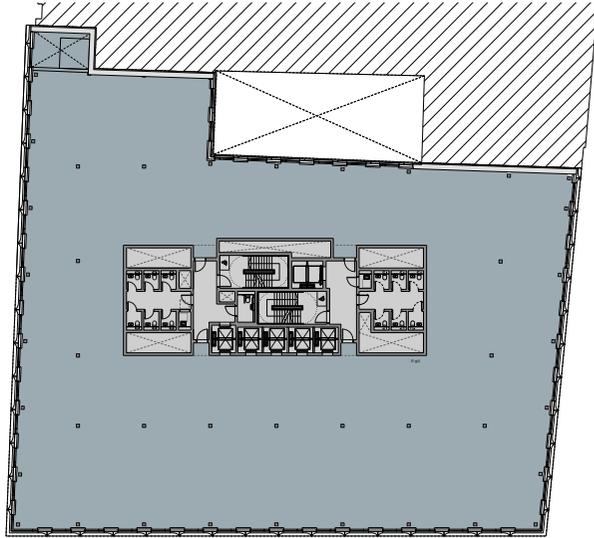
EPC of B, modelling options for EPC of A

**NABERS**  
UNITED KINGDOM

NABERS UK energy rating to be progressed









BUSH HOUSE  
WC2

SOUTH WEST WING

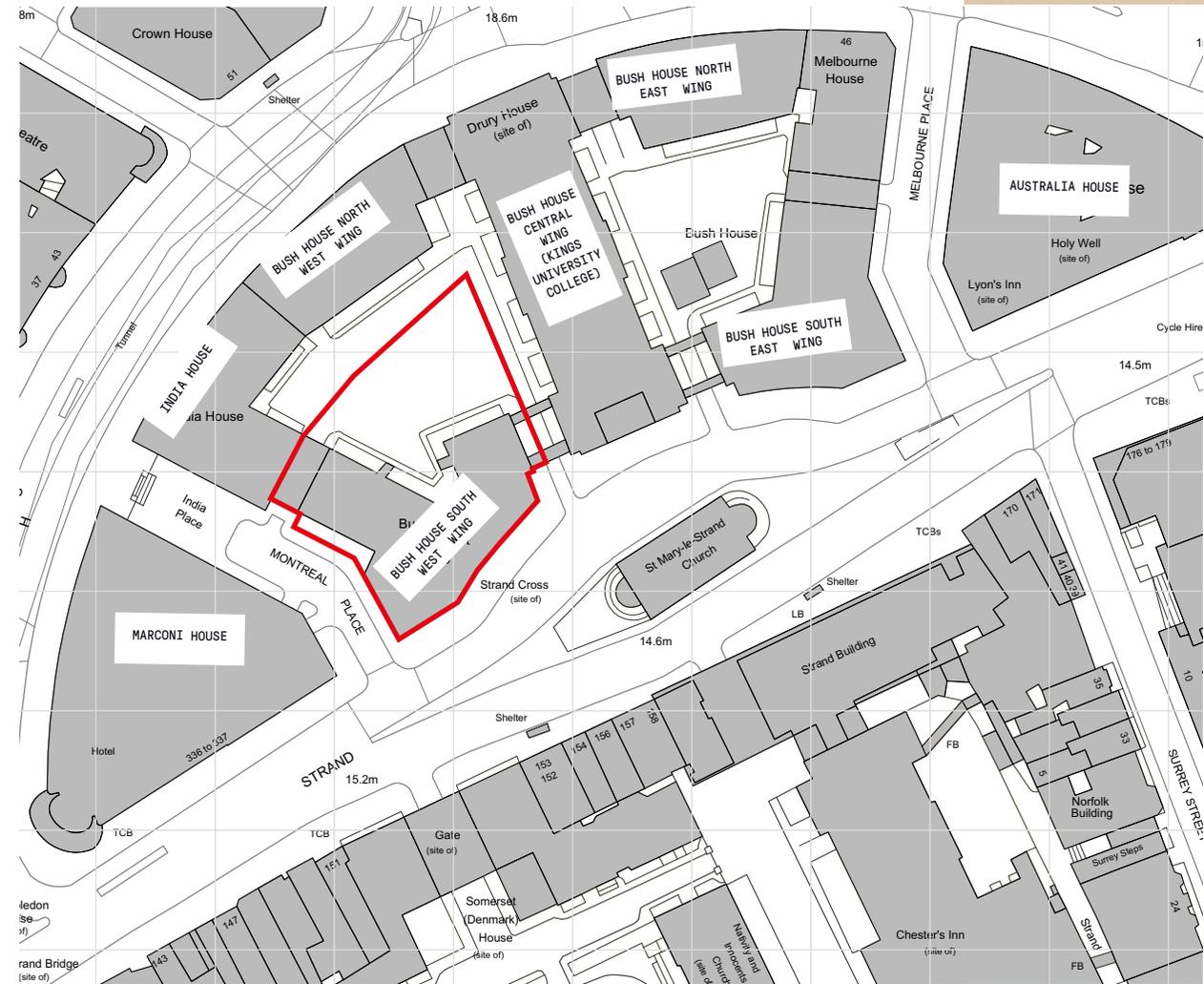


# ACCELERATED DEVELOPMENT OPPORTUNITY

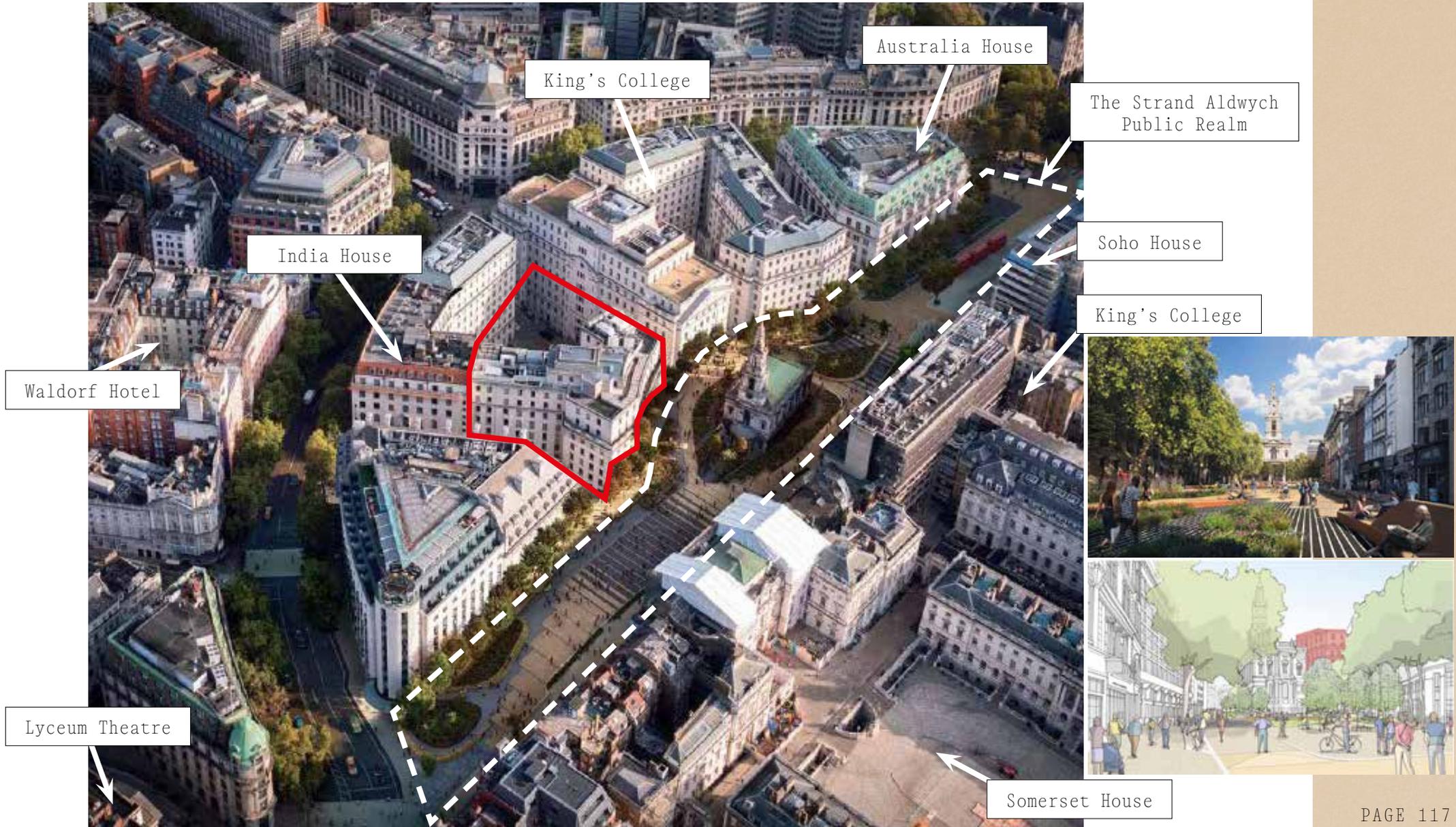
- Built in 1935
- 103,700 sq ft existing office building
- Former HMRC offices
- Accelerated development opportunity through acquisition of outstanding 7-year headlease in 2021
- Planning application mid October



1935: Photograph of South West wing building close to completion



# LOCATION UNDER TRANSFORMATION



# CREATING A LANDMARK



- Approx. 134,000 sq ft of high quality offices within the retained and extended office building
- New rooftop level with terraces
- Full comprehensive refurbishment of existing space to include new plant and windows
- Relocation of the core
- Principal design team appointed with architects Stiff & Trevillion

-  Excellent
-  B
-  WELL enabled
-  4 Star

# RESPONDING TO THE SURROUNDINGS



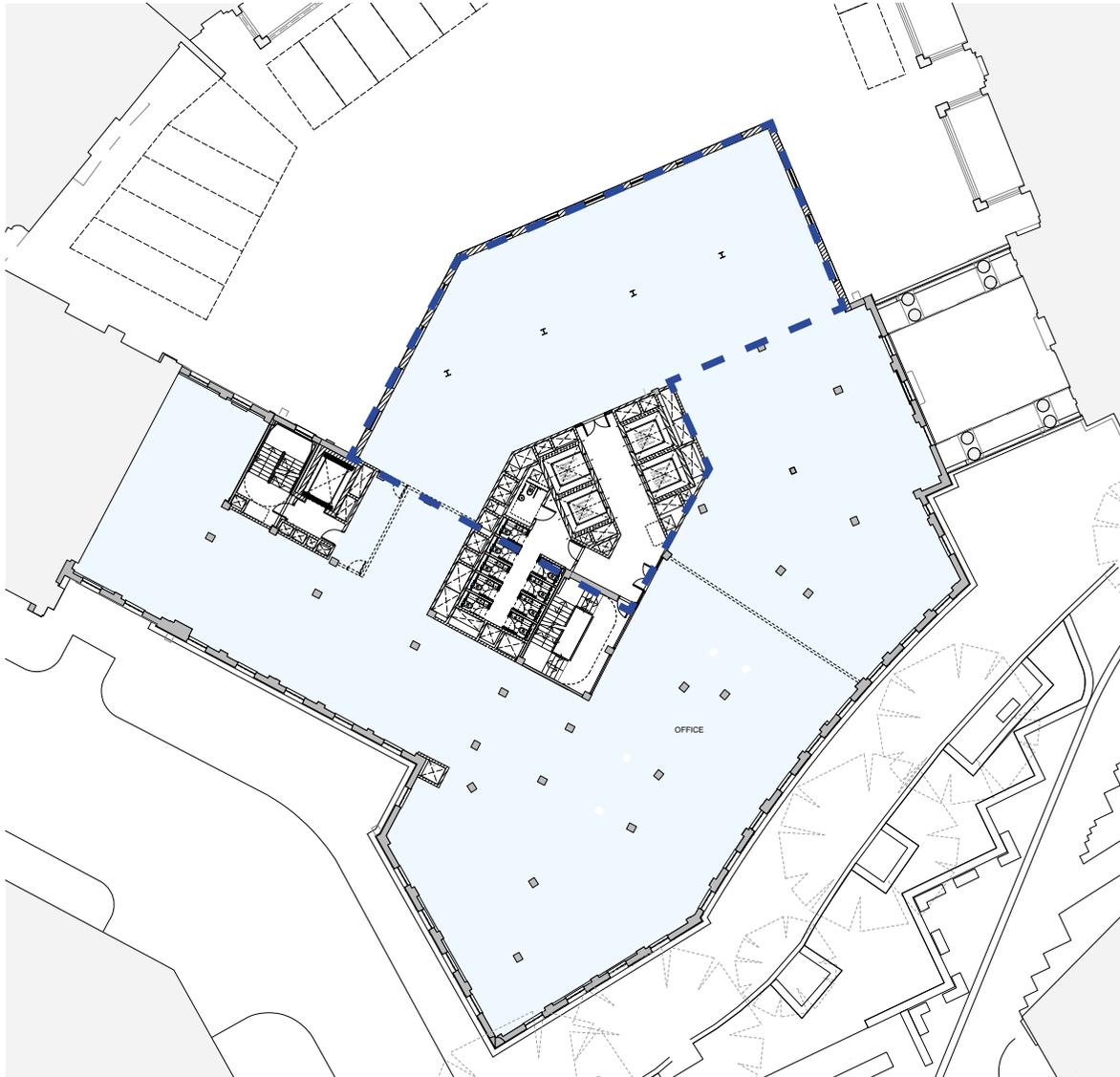
The proposed massing responds to the surrounding context and feedback received from Westminster City Council:

- 1 Roof** - A single storey roof extension at 9th floor with external terracing plus 10th floor amenity and terrace space
- 2 Courtyard Infill** - A ground plus 8 storey extension to the courtyard elevation
- 3 Urban Greening** - Additional terraces provided at 7th, 9th and 10th floors to increase opportunities for urban greening, as well as landscaping in the courtyard

# ACTIVE GROUND FLOOR



# FLEXIBLE OFFICE FLOORS



- Typical floorplate  
- 14,400 sq ft
- Total NIA  
- 133,600 sq ft



# INVESTMENT



# INTRODUCTION & INVESTMENT STRATEGY

## INVESTMENT MARKET

- Limited stock
- Competitive bidding for right product
- c.£41bn global equity circling London offices\*

## OUR STRENGTHS

- Disciplined approach
- Balance sheet, reputation & track record
- Knowledge of local markets
- Broad property skill sets

## OUR APPROACH

- Value add opportunities
- Off market / importance of long term relationships
- Adding to clusters in vibrant villages

## EVOLVING STRATEGY

- Holding quality assets longer to capture stronger performance
- Accelerating recycling of Tier Two buildings
- Considering empty buildings / sites as well as income producing assets

\* CBRE

# THE LONDON OFFICE INVESTMENT MARKET

## FLIGHT TO QUALITY

### POSITIVE OUTLOOK

- Rental prospects improving
- Business confidence returning

### GOOD DEMAND

- Tier One / Prime yield compression
- Strong demand for value add / development sites
- Performance of older Secondary stock lagging

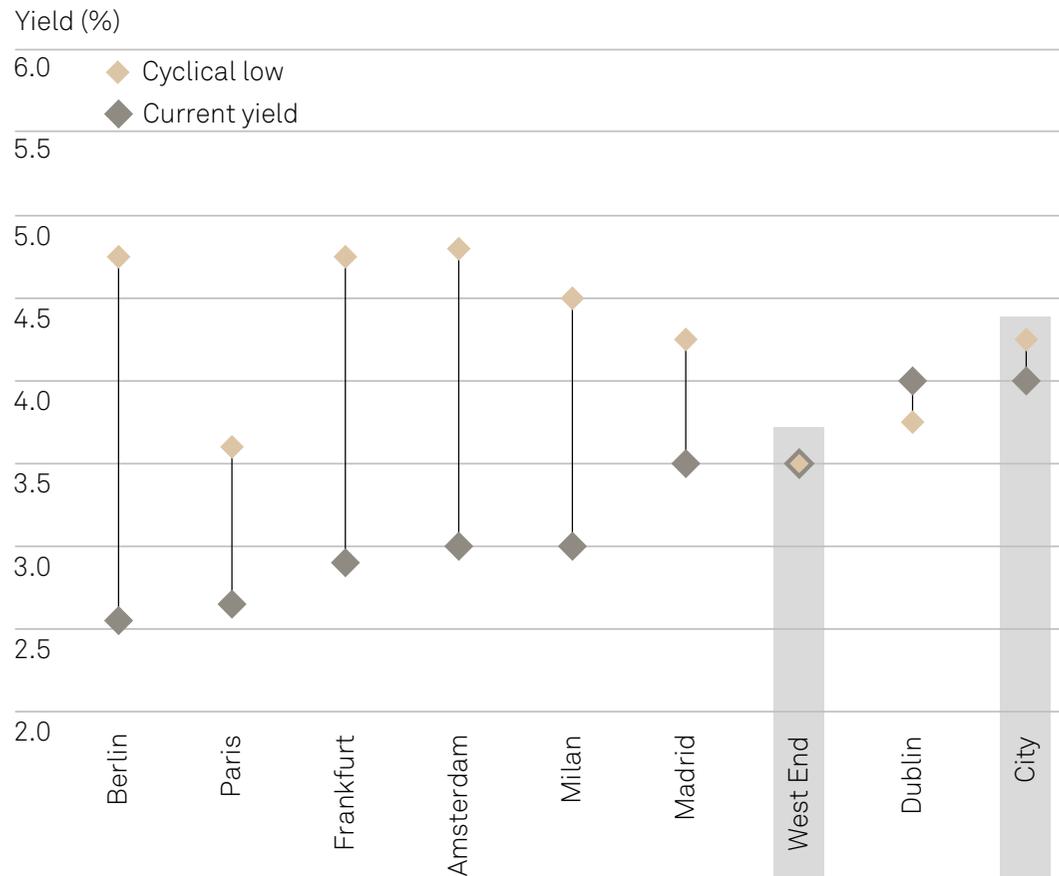
### LIMITED AVAILABILITY

- A tight market & low availability
- Limited signs of forced sellers or distress
- Environmentally stranded assets

# THE LONDON OFFICE INVESTMENT MARKET

## POSITIVE YIELD GAP

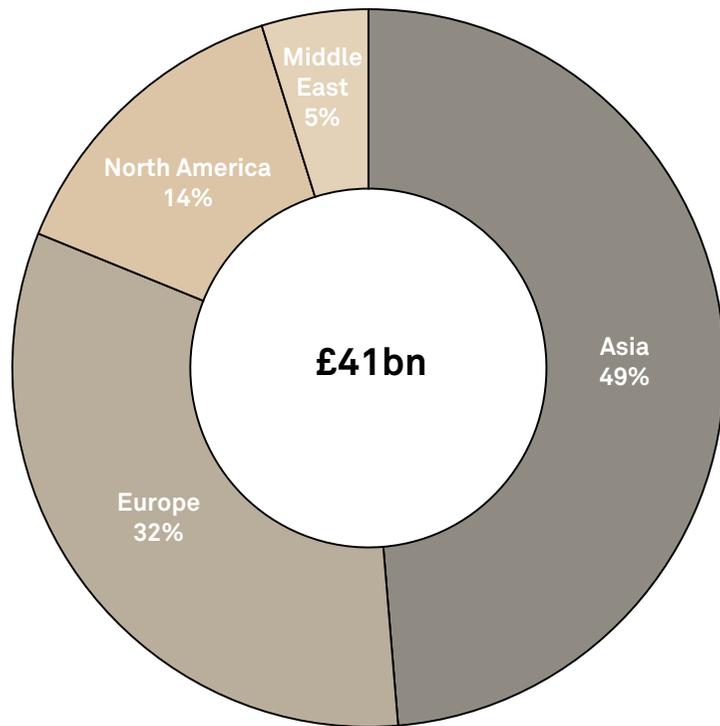
- Lower interest rate environment continues to support global property values
- Following long Brexit uncertainty investors more focused on London



Source: CBRE

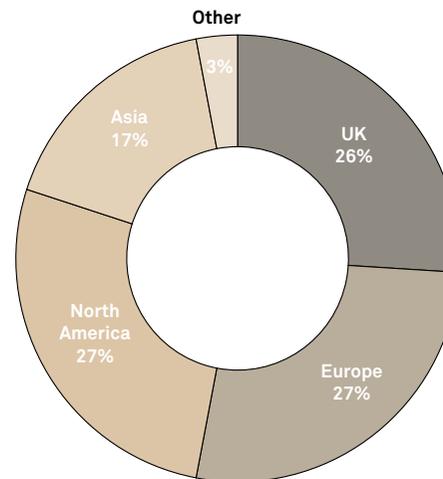
# THE LONDON OFFICE INVESTMENT MARKET DEEP DEMAND FROM GLOBAL CAPITAL

SOURCES OF GLOBAL DEMAND

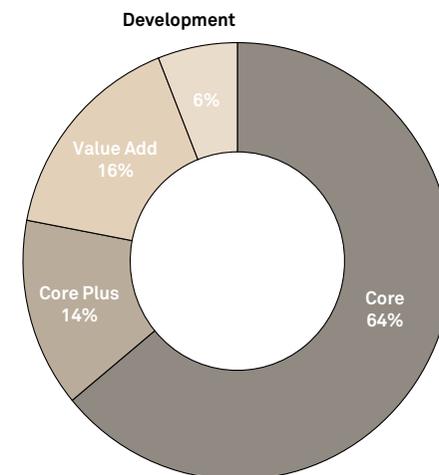


Source: CBRE

HALF YEAR ACTIVITY BY ORIGIN



HALF YEAR ACTIVITY BY ASSET



# THE LAZARI TRANSACTION

A West End portfolio of five properties for a total price of £290m after costs

## Baker Street Holding

- Proposed 50/50 Joint Venture
- Acquiring existing headleases totalling 122,200 sq ft across three assets (100%)
- Existing income of £5.2m pa (100%)

## Knowledge Quarter Holdings

- Acquisition of two freehold assets totalling 182,100 sq ft
- Existing income of £5.3m pa with asset management potential



# THE IMPORTANCE OF LONG-TERM RELATIONSHIPS

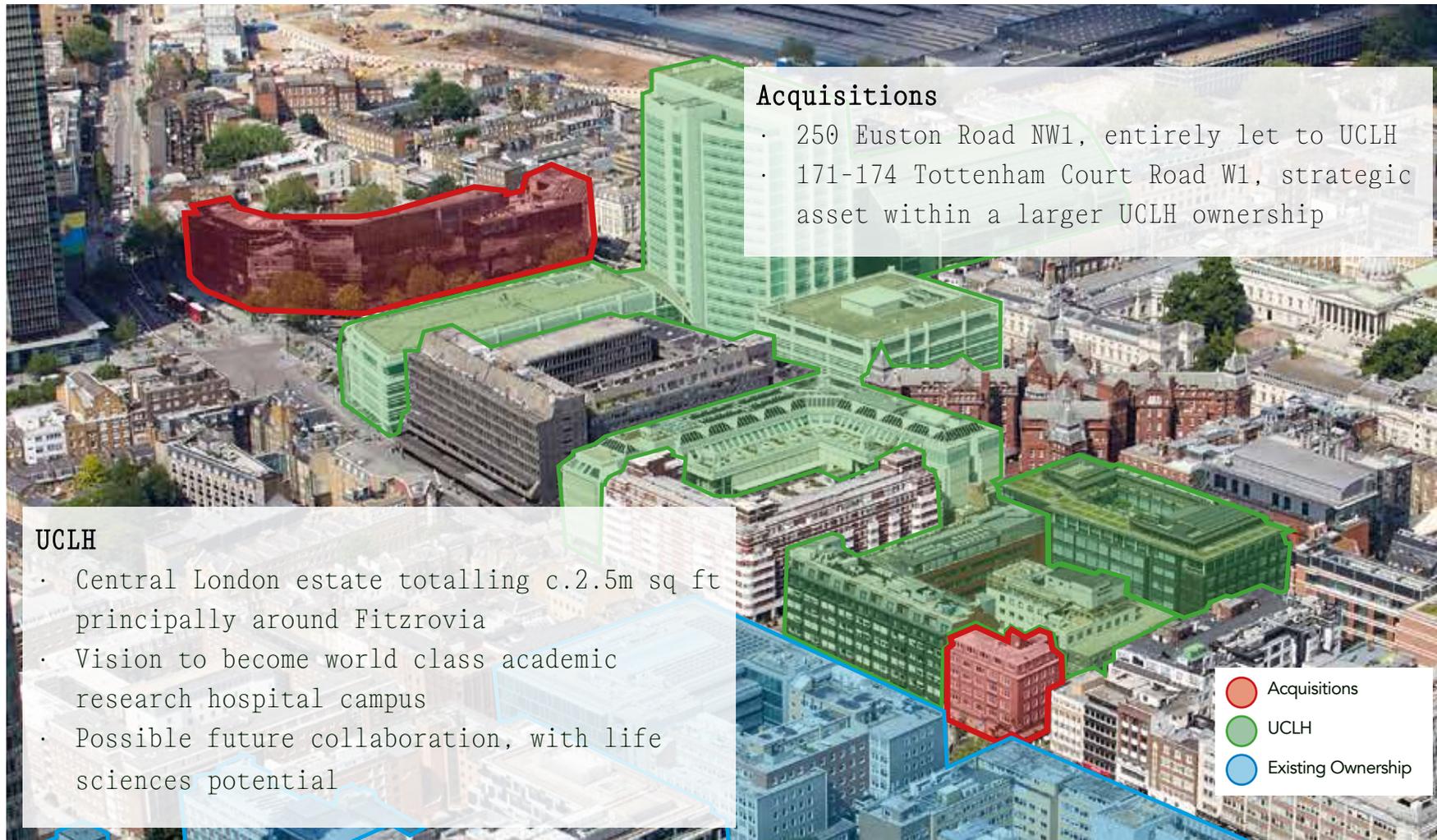
## (1) LAZARI INVESTMENTS



- Rare West End portfolio transaction
- Family owned property company - c.£3bn central London portfolio
- Acquisitions have synergies with group holdings
- Lazari's first joint venture - Derwent London's development expertise

# THE IMPORTANCE OF LONG-TERM RELATIONSHIPS

## (2) UCLH



# THE IMPORTANCE OF LONG-TERM RELATIONSHIPS

## (3) THE PORTMAN ESTATE

- The Portman Estate owns 110 acres across Marylebone
- Actively looking to regenerate it's wider Estate
- The Group's relationship with The Portman Estate spans over 40 years
- Recent success following headlease regear on 19-35 Baker Street for 298,000 sq ft scheme
- Creation of potential Baker Street Joint Venture (50/50) with Lazari
- Island block of 122,200 sq ft with potential for c.240,000 sq ft future project (100%)
- Portman Estate freehold, potential to regear
- The Portman Estate own 62-64 Baker Street, part of the block
- Timing favourable from 2024 following PC of 19-35 Baker Street



# ADDING TO THE PIPELINE

Combined potential for c.220,000 sq ft future development



BUSH HOUSE WC2

- Bringing forward development and capturing marriage value, with a total cost of £500 per sq ft
- Tired former Government building neighbouring King's College London and LSE campuses
- Project to benefit from major public realm improvements
- Demonstrates appetite to consider vacant buildings with Tier One potential

- Providing control and creating marriage value
- Higher yielding income to asset manage with affordable rental levels of £40 per sq ft
- Site offers potential future development



HOLFORD WORKS WC1

# DISPOSALS

## RECYCLING TIER TWO BUILDINGS



JOHNSON BUILDING EC1



ANGEL SQUARE EC1

- Combined sales of £260m following selective approach to recycling
- Taking advantage of market liquidity
- Focusing on higher returns and Tier One investments and projects
- De-risking portfolio vacancy from Tier Two space

# Q & A



# PROPERTY TOUR



80

CHARLOTTE  
STREET



80  
CHARLOTTE  
STREET.

FITZROVIA W1

2007

Outdated 234,000 sq ft of offices let to Saatchi & Saatchi, part of Publicis Groupe

1.4 acre island site in a core West End location

2014

Publicis pre-let two Derwent London schemes at 40 Chancery Lane WC2 and Turnmill EC1

2017

133,600 sq ft pre-let to Arup on a 20-year lease (no breaks) at initial rent of £9.7m pa with annual increases of 2.25% for the first 15 years

123,500 sq ft pre-let to Boston Consulting Group on a 15-year lease (break in year 12) at £10.6m pa.

2011

Planning permission granted for a 377,000 sq ft mixed-use

Make-designed project:

- 322,000 sq ft offices
- 43,000 sq ft residential including 10,000 sq ft of affordable housing
- 12,000 sq ft retail

Increases floor area by 62%

2015

Publicis relocate and demolition commences

2019

40,600 sq ft of option space taken by BCG at £3.3m pa

11,000 sq ft pre-let to Elliott Wood at £0.6m pa

2020

Provided free use of 16 flats to the NHS for 12 months

13,000 sq ft offices pre-let to Lee & Thomson at £0.8m pa

Scheme completed in June with offices 100% pre-let

One of the UK's first all electric commercial buildings, our first net zero carbon development and BREEAM Excellent

NET ZERO



# NETWORK BUILDING



# NETWORK BUILDING

TOTTENHAM COURT ROAD, W1

2007

A freehold mixed-use building of 64,200 sq ft

2016

34,000 sq ft refurbishment completed to the rear of the property at 78 Whitfield Street

2022

Scheme commences in H2

2011

Acquired headlease for £31m before costs - giving us direct control of the property

2021

Dual planning permission granted for a 137,000 sq ft office development or a 112,000 sq ft life sciences scheme. Both projects include 5,000 sq ft of retail

In addition, we are providing 23 affordable homes in Tottenham Mews W1

2025

Scheme completion

Target: BREEAM Excellent

# NET ZERO



171-174  
TOTTENHAM  
COURT ROAD



171-174  
TOTTENHAM  
COURT ROAD  
W1

2021

Acquired 16,200 sq ft  
freehold building in H2

Off market transaction with  
Lazari Investments

£24.7m after costs

Multi-let at £0.6m pa

Strategic holding forming  
part of a larger UCLH-  
controlled island site

Longer-term part of a major  
Knowledge Quarter site

Opposite our Network  
Building



250  
EUSTON  
ROAD



250  
EUSTON  
ROAD  
NW1

2021

Acquired 165,900 sq ft  
office property in H2

Off market transaction with  
Lazari Investments

Substantial island site of  
1.6 acres in the heart of  
the Knowledge Quarter

£189.9m after costs

Let entirely to UCLH at  
£4.7m pa or £28 psf until  
2039 with fixed annual  
increases of 2.5% compounded  
every 5 years and tenant-  
only breaks every 5 years  
with next uplift and break  
in April 2024



19-35

BAKER  
STREET



19-35  
BAKER  
STREET  
W1

2007

Existing properties totalling  
143,000 sq ft

Held in a JV: 55% Derwent  
London and 45% The Portman  
Estate

2021

Vacant possession secured

JV to be unwound in  
September

Demolition to begin in  
October

2025

Scheme due to complete in H1

Target: BREEAM Excellent

2017

Planning permission gained  
in November for a major  
mixed-use development of  
298,000 sq ft:  
- 218,000 sq ft offices  
- 52,000 sq ft residential  
- 28,000 sq ft retail

2022

Scheme construction  
commences

NET ZERO



JOINT VENTURE:  
38-52, 54,  
60 & 66  
BAKER STREET



JOINT VENTURE:  
38-52,  
54,60 & 66  
BAKER STREET

2021

Memorandum of Understanding  
with Lazari Investments to  
create a 50:50 JV

Potential 240,000 scheme

JV expected to acquire  
three multi-let freehold  
properties totalling 122,200  
sq ft in H2 for £64.4m after  
costs (50% share) with a net  
rental income of £2.6m (50%  
share) or £42.50 psf

Initial consideration  
includes an element of hope  
value for planning uplift  
and regearing of headleases

Negotiations underway with  
The Portman Estate to gain  
control of fourth building

Diagonally opposite  
our 19-35 Baker Street  
redevelopment

2022

Submit Planning application

2024

Potential scheme commences



# SOHO PLACE



# Soho Place

W1

1986

Acquired a 25% leasehold interest in 135-155 Charing Cross Road (62,000 sq ft)

2006

Acquired 17 Oxford Street (3,300 sq ft) and Astoria Theatre (42,300 sq ft)

2012

Planning consent granted in April for a major development of 285,000 sq ft - 209,000 sq ft offices, 36,000 sq ft retail, 40,000 sq ft theatre and new public space linking Charing Cross Road with Soho Square

2018

Scheme handed back to Derwent London for enabling works

2020

Disposal of long leasehold interest of 2 & 4 Soho Place for £40.5m before costs which includes 18,400 sq ft of offices and the theatre with the latter pre-let to Nimax

1998

Acquired remaining 75% leasehold interest and freehold in 135-155 Charing Cross Road

2009

Buildings subjected to compulsory purchase by Crossrail

Derwent enter into an option to re-acquire the site upon completion of Crossrail works

2017

Station works by TfL/ Crossrail complete

2019

Construction of two buildings commenced in H1

Two major office pre-lets to G-Research (102,600 sq ft) and Apollo (88,300 sq ft) for a total of £17.7m pa

2022

Completes in H1

Elizabeth line opens

## NET ZERO



# DERWENT LONDON ATTENDEES

MARK BREUER	CHAIRMAN	PAUL WILLIAMS	CHIEF EXECUTIVE
DAMIAN WISNIEWSKI	CFO	NIGEL GEORGE	DIRECTOR
DAVID SILVERMAN	DIRECTOR	EMILY PRIDEAUX	DIRECTOR
RICHARD BALDWIN	DIRECTOR OF DEVELOPMENT	DAVID LAWLER	COMPANY SECRETARY
JENNIFER WHYBROW	HEAD OF FINANCIAL PLANNING & ANALYSIS	JAY JOSHI	TREASURER
QUENTIN FREEMAN	INVESTOR RELATIONS	ROBERT DUNCAN	INVESTOR RELATIONS
JON HALL	INVESTOR RELATIONS & RESEARCH MANAGER	JOHN DAVIES	HEAD OF SUSTAINABILITY
TIM HYMAN	GROUP ARCHITECT	TOM FRENCH	ASSOCIATE, DEVELOPMENT
GILES SHEEHAN	HEAD OF INVESTMENT	LUCY TAYLOR	INVESTMENT MANAGER
BENJY LESSER	ASSOCIATE, DEVELOPMENT	MATT MASSEY	SENIOR PROJECT MANAGER
PHILIPPA DAVIES	HEAD OF LEASING	JONATHAN THEOBALD	ASSOCIATE, INVESTMENT
VASILIKI ARVANITI	HEAD OF ASSET MANAGEMENT	VICTORIA STEVENTON	HEAD OF PROPERTY MANAGEMENT
JO BENSON	SENIOR PROJECT MANAGER	HERMAN WA	SUSTAINABILITY MANAGER
HELEN JOSCELYNE	SUSTAINABILITY MANAGER	BEN TOZER	GROUP CONSTRUCTION COST MANAGER
MICHAEL SIMONS	DIGITAL INNOVATION MANAGER	NICOLE RANKIN	INVESTOR & COMMUNICATIONS CO-ORDINATOR
NIKITA GAREH	PROPERTY MARKETING CO-ORDINATOR	SHABANA JABLU	PROPERTY INVESTMENT
CLARE STEWART	PROPERTY LEASING	ALLY CLEMENTS	SENIOR PROPERTY MARKETING CO-ORDINATOR
ANNALISE TROUGHT	COMMUNITY & RELATIONSHIP MANAGER		

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