

We unlock potential,
creating sustainable space
for London to thrive

Cambridge University Land Society

5 October 2023



1. Office; bifurcation between 'best' and 'the rest'

- Customer demand for best is robust. Rents rising; rising barriers to entry
- West End Grade A vacancy < 1%. Poor & periphery > 10% vacancy

2. The 'best' is changing

- Amenity within and around; great customer service essential
- Great locations in great cities win vs WFH

3. Sustainable spaces win

- With customers in the war for talent
- With regulators; reuse over new build
- Materials revolution to come?

4. Cost of doing business; higher

- Inflation, interest rates, sustainability, regulation
- Return to pre 'free money'; the real estate skilled trump financial engineers

5. The cycle is back

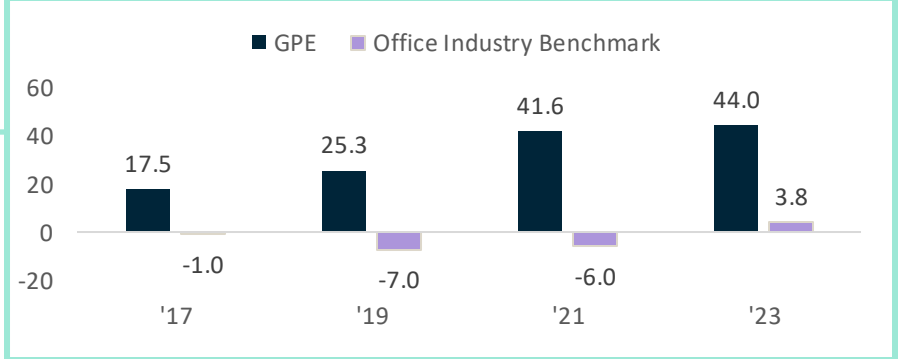
- Financing pressures, rising yields
- Risk appetite & asset values down
- Massive equity market NAV discounts

GPE; delivering the absolute best, in the core; structural tailwinds

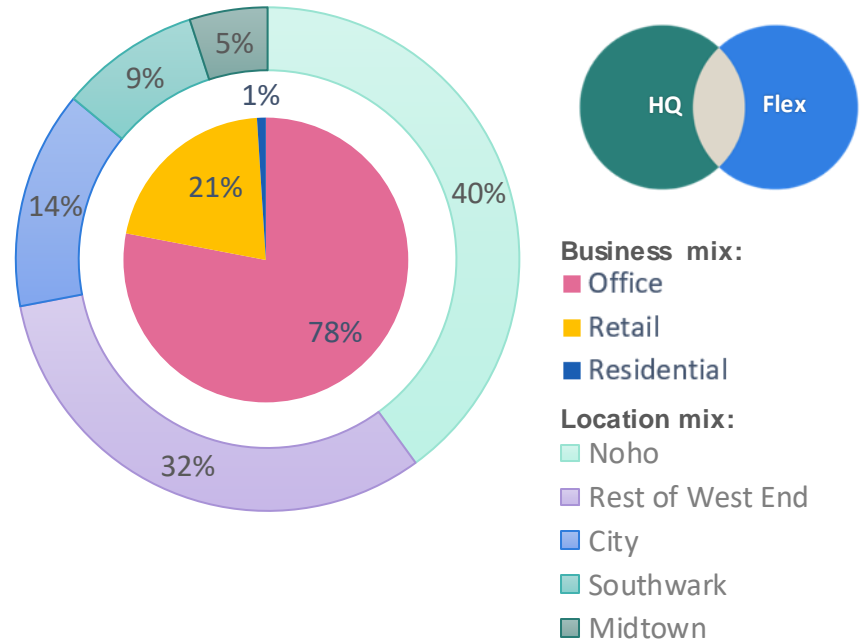
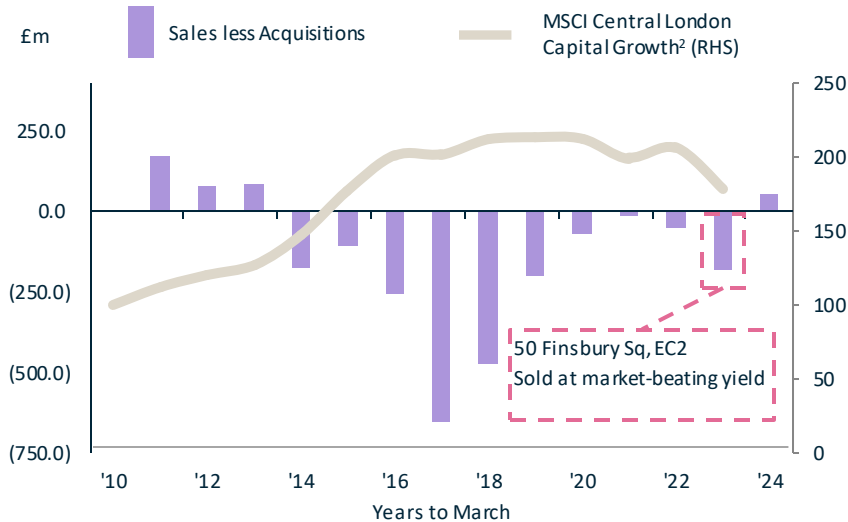
Our Strategic Givens

- 100% central London
- Reposition properties; best spaces
- Customer First
- Sustainability: an imperative
- Low financial leverage
- Disciplined capital management
- Match risk to cycle

Exceptional Net Promoter Score¹



Matching Risk to Cycle



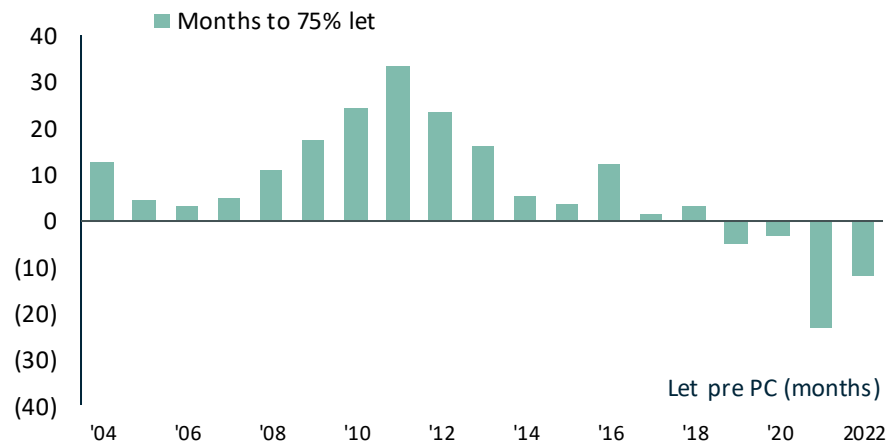
A differentiated, growth strategy

1. RealService; benchmark based on NPS of 22 UK-centric office property companies 2. MSCI Central London Quarterly Capital Growth Index.

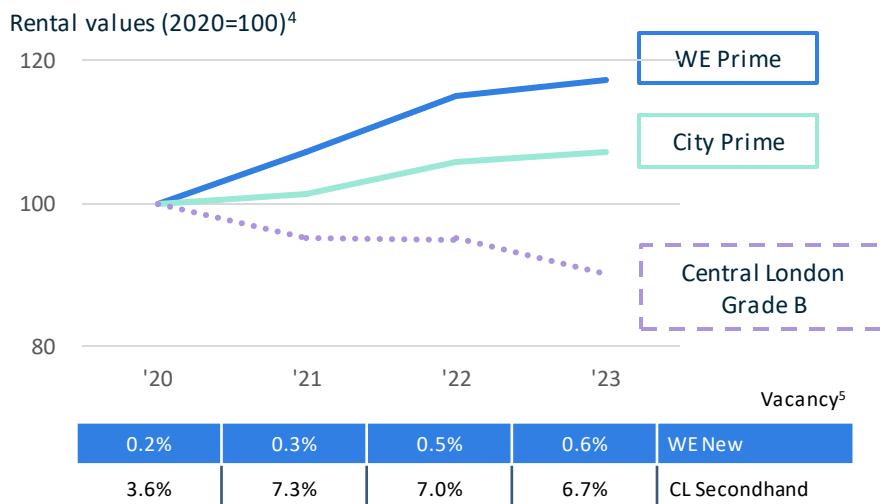
Leasing activity robust



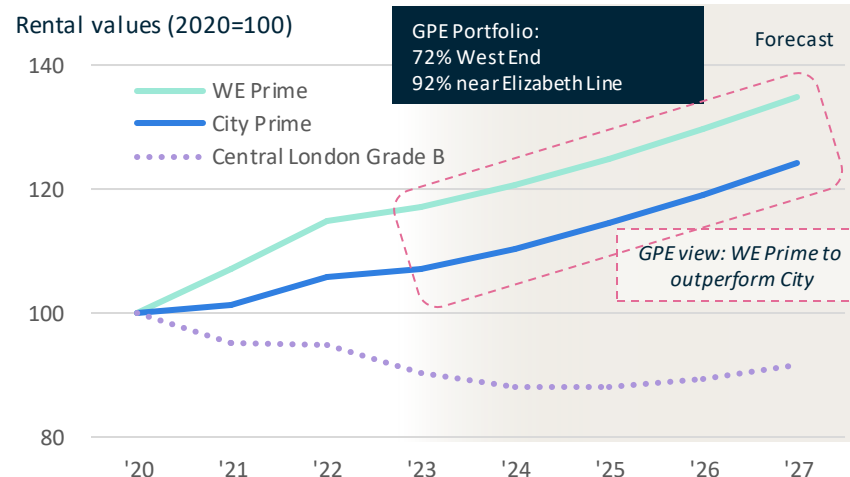
New Space Letting at Record Speed⁵



'Best vs Rest'



Office Prime Headline Rental Growth⁴

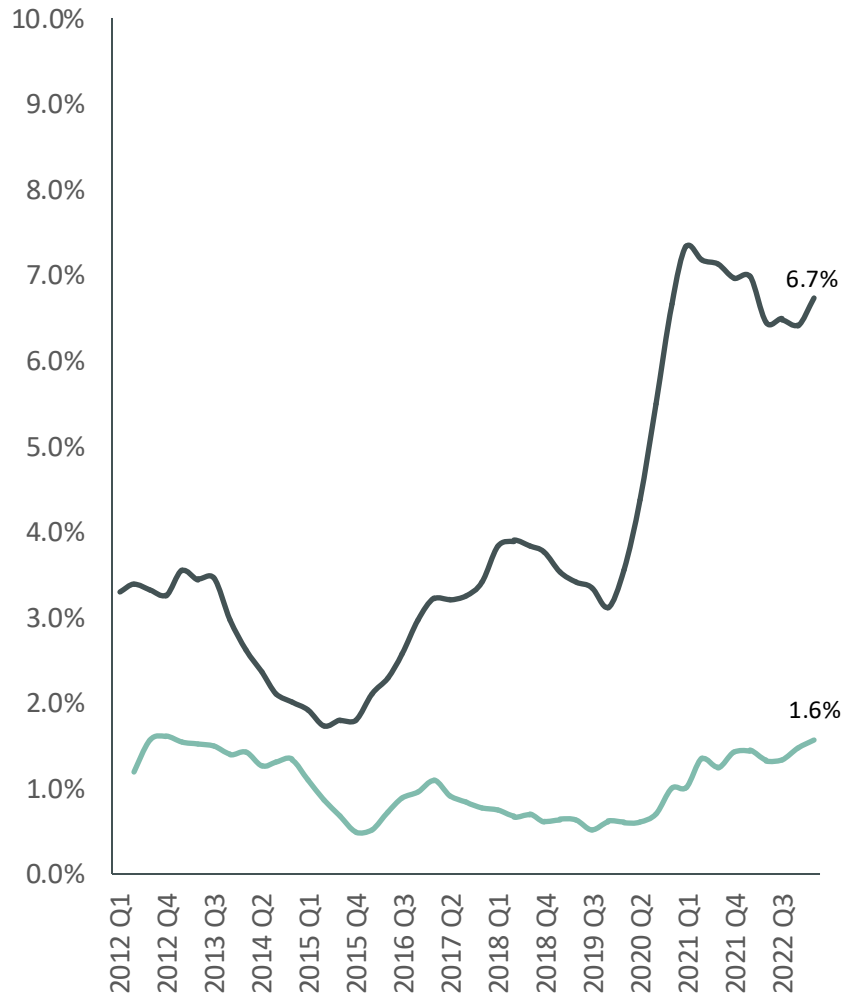


1. CBRE / Knight Frank, West End and City combined 2. As at March 3. 12 months to March 4. Savills indexed to 2020 5. CBRE

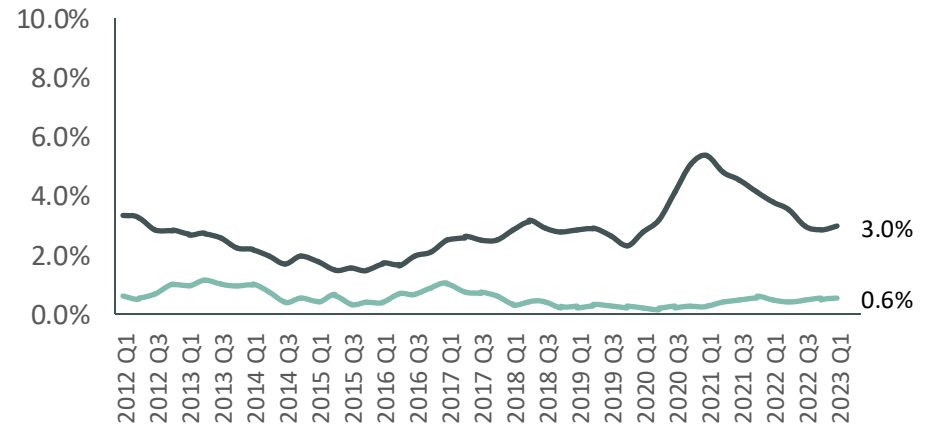
Best vs The Rest

Extremely Low New Space Vacancy Rate

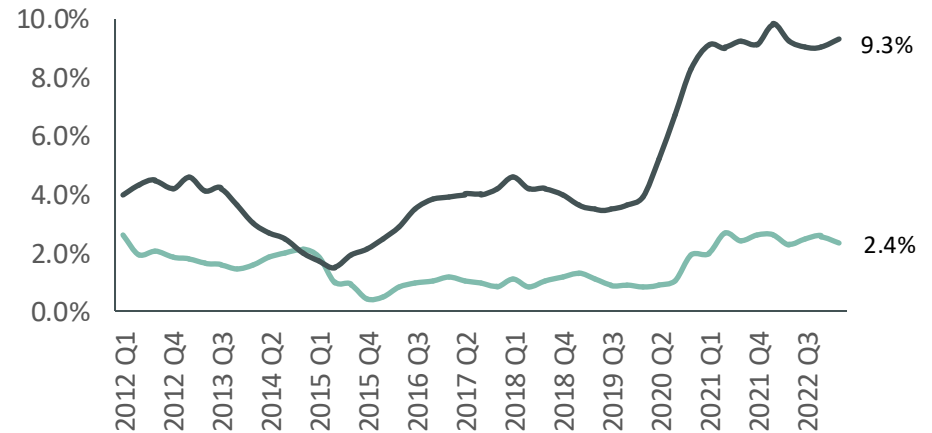
Central London



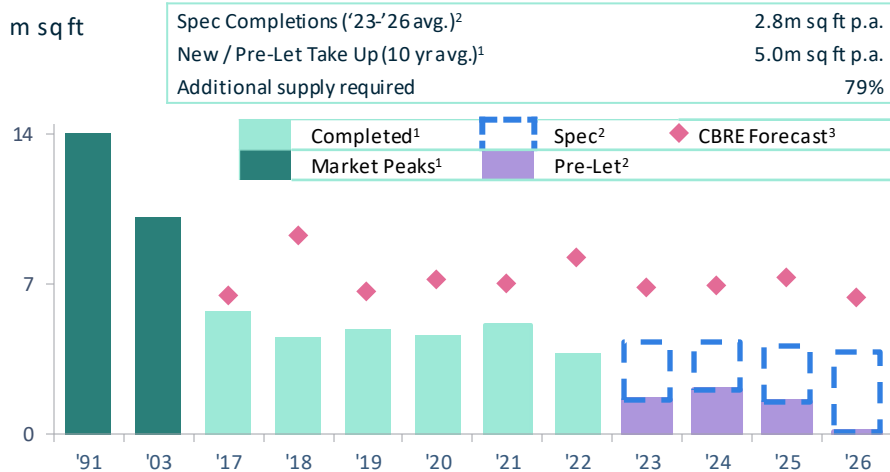
West End



City

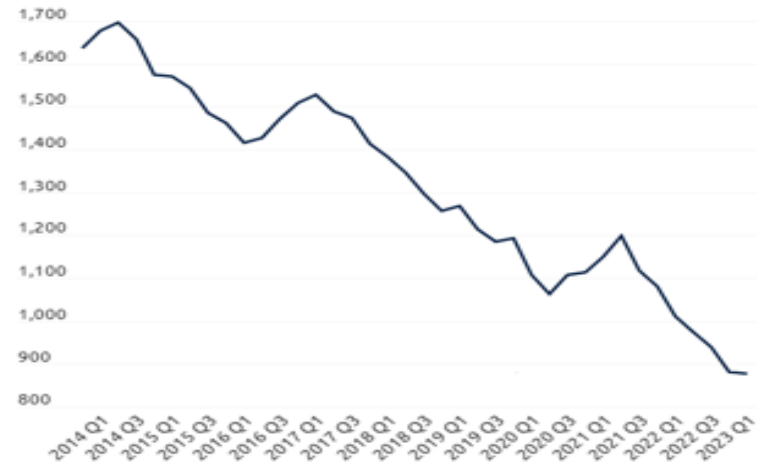


New Office Supply to Tighten Further¹



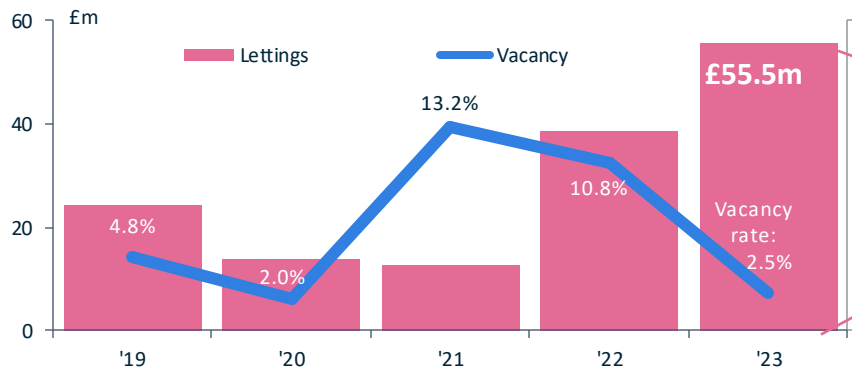
Structural decline in London planning permissions

Total major decisions in London (rolling annual)



Source: ONS 2023

Record Leasing; Low Vacancy; More to Come



	Rent PA	ERV vs Mar '22 ⁴
FY	£55.5m	+3.3% Flex +10.8%
H2	£38.8m	+2.9%
H1	£16.7m	+4.4%
U/O	£5.7m	18.0%⁵

1. CBRE 2. GPE forecast central London Speculative Grade 3. CBRE forecast; historic forecasts are forecast at 24 months prior to delivery date 4. Market lettings 5. v. March 23 ERV

The Best Is Changing: Our Fully Managed Offer

Full service delivery by GPE; all-in-one bill

GPE.



Services include:

- community manager and concierge service
- food & beverage
- cleaning service
- maintenance inc. handyman service
- planting
- waste management
- business rates

No. of units¹ 55

Average lease term 2.1 years term certain

Average unit size 2,700 sq ft

Average rent £175 psf, +81%²

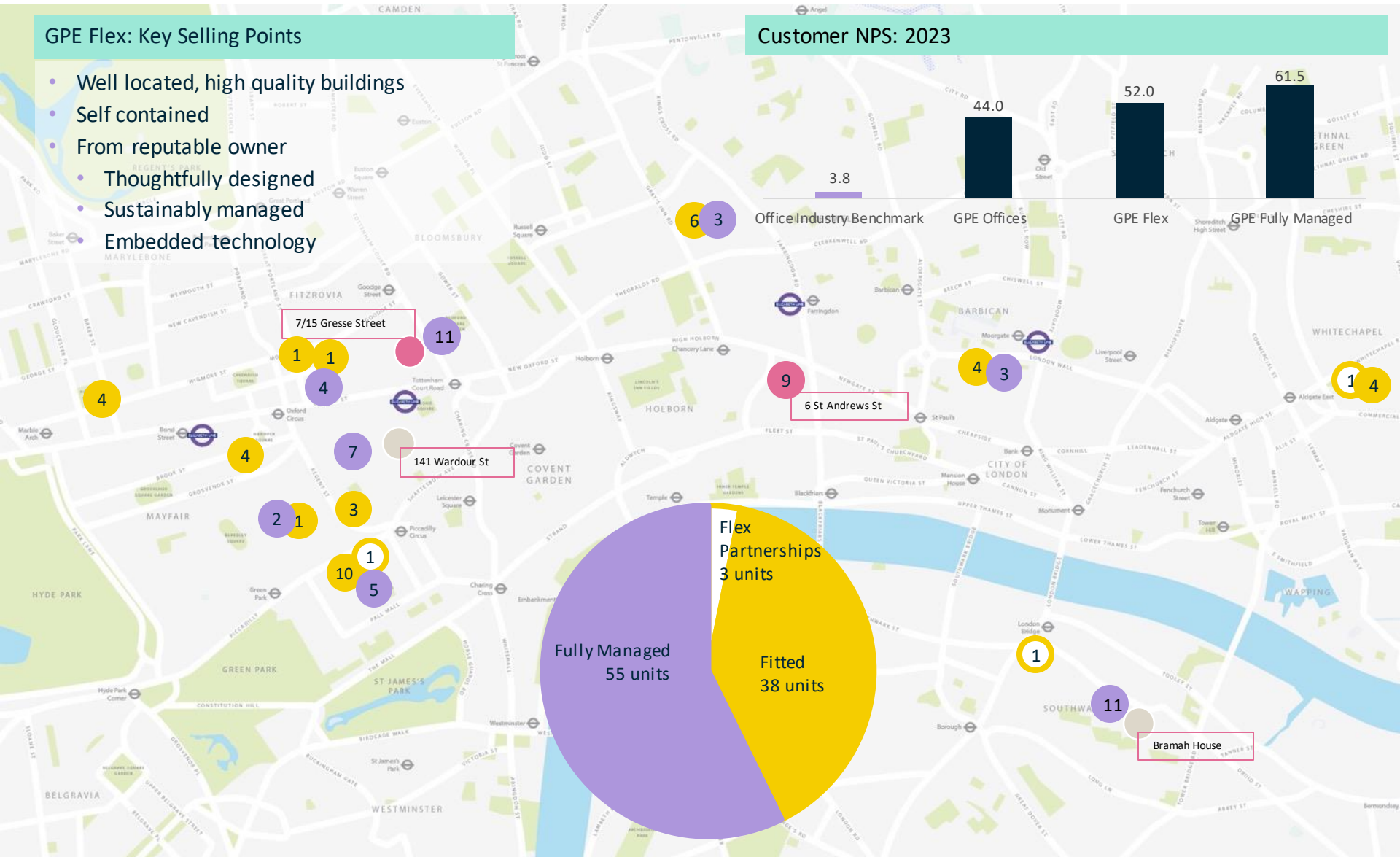
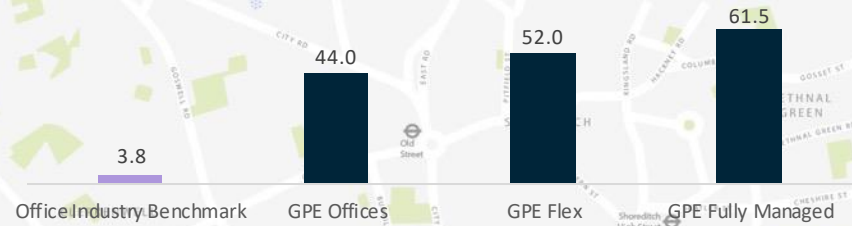
The Best Is Changing;

Location matters; Great Service = Outstanding Net Promoter Score

GPE Flex: Key Selling Points

- Well located, high quality buildings
- Self contained
- From reputable owner
- Thoughtfully designed
- Sustainably managed
- Embedded technology

Customer NPS: 2023



Number of units

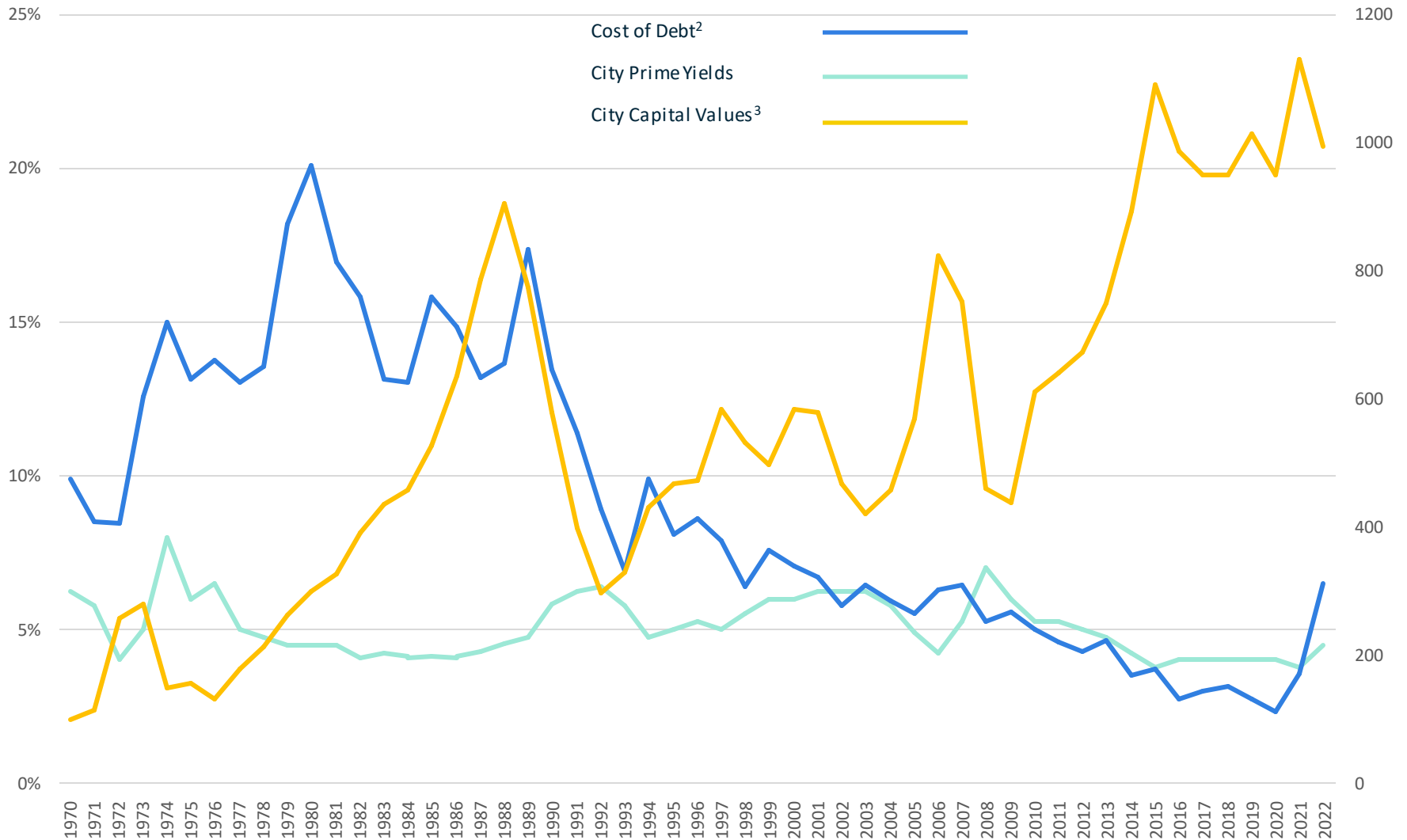
● Flex acquisitions to March '23

● Flex acquisitions since March '23

Cost of doing business up

Real estate operators trump financial engineers

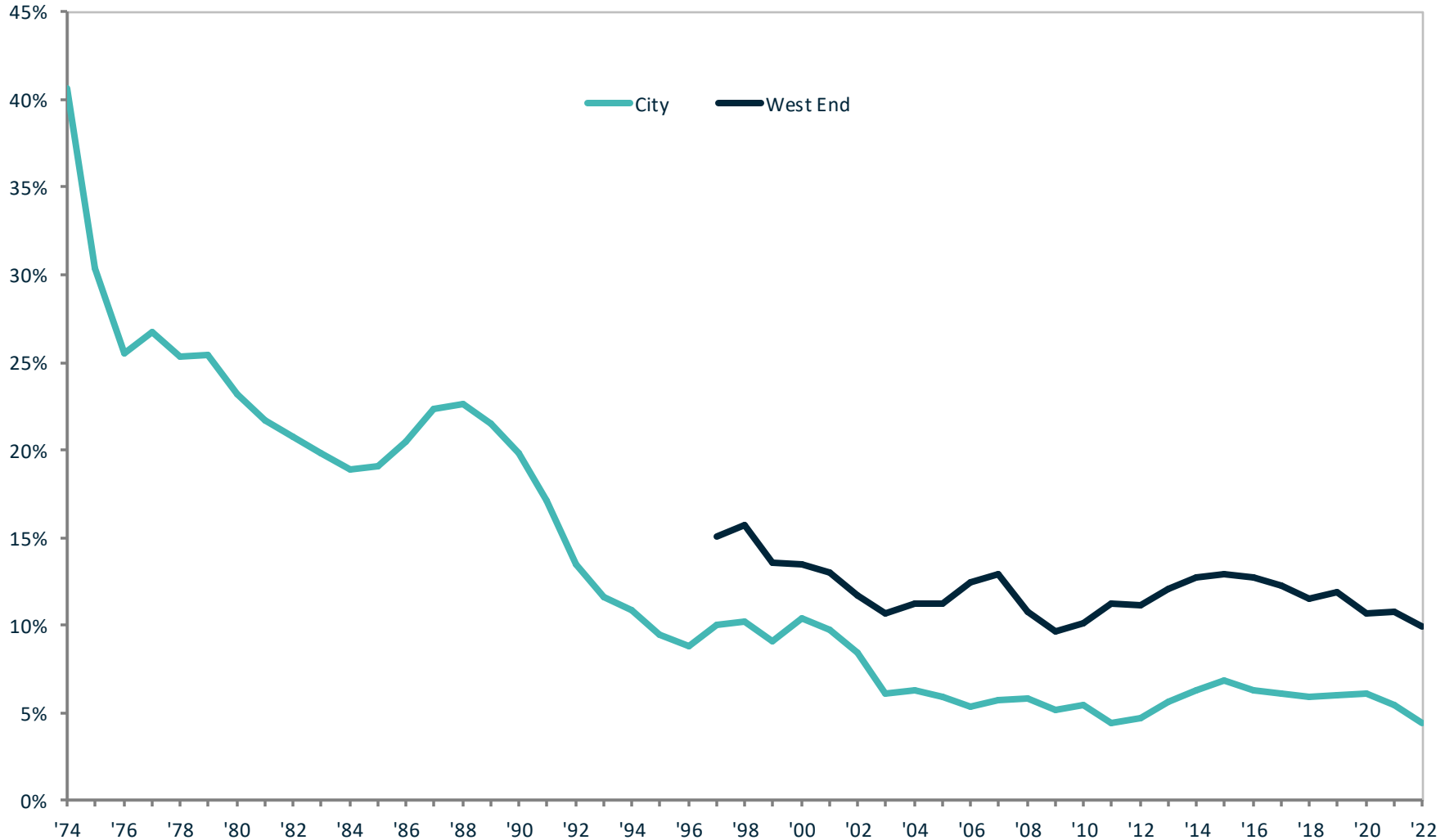
Investment Market; Pressure on Yields



1. CBRE 2. 5-year swap rate plus Bayes / De Montfort Lending Survey prime office margin 3. Right hand scale 1970=100

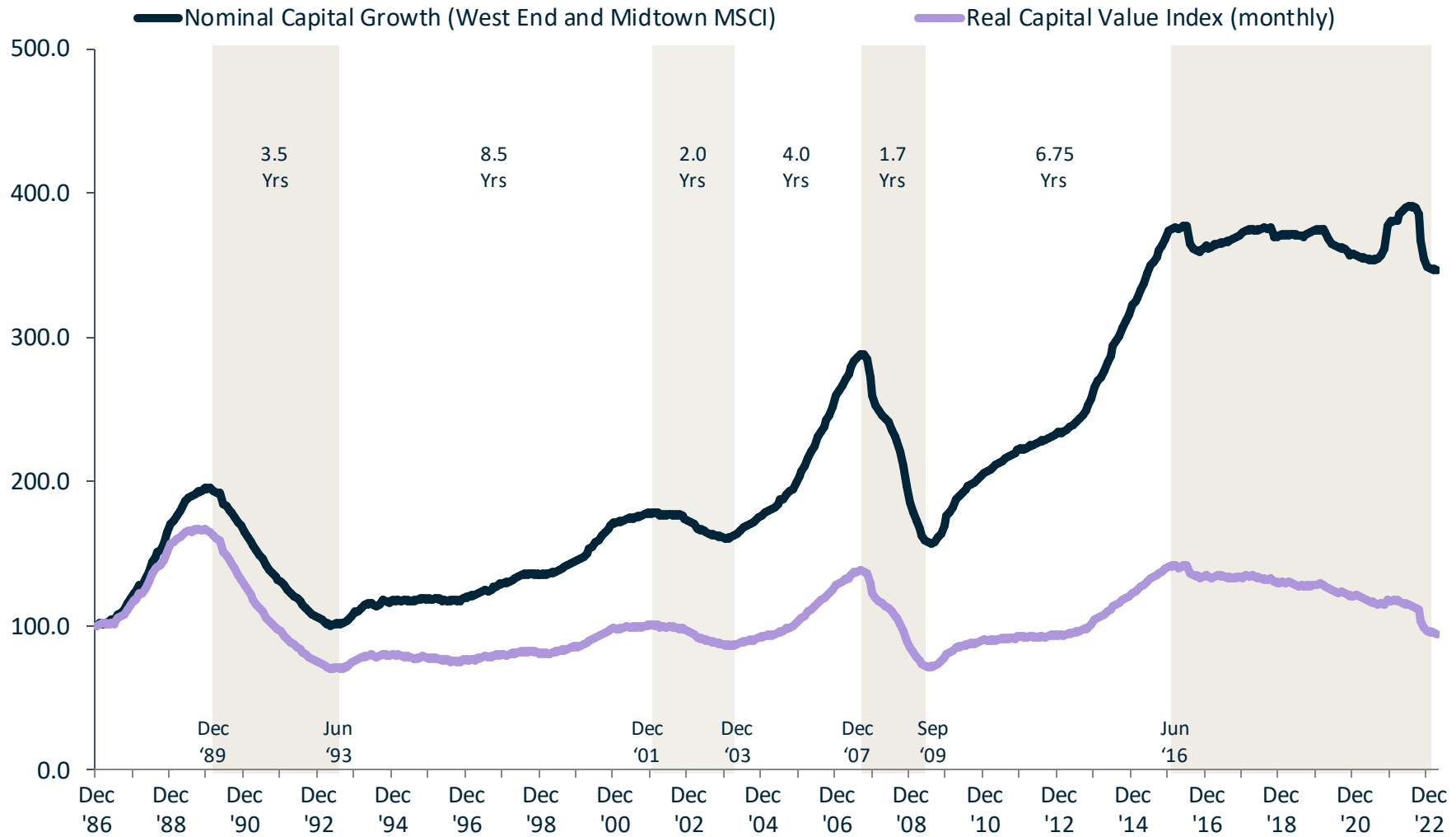
Cost of doing business rising, but...

Office Rent as a % of Salary Costs



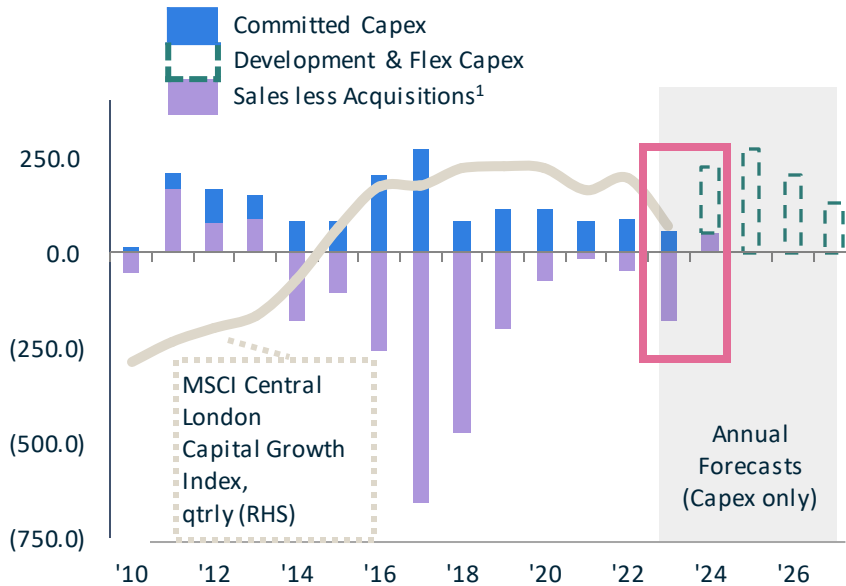
The Return Of The Cycle

Midtown & West End; capital growth

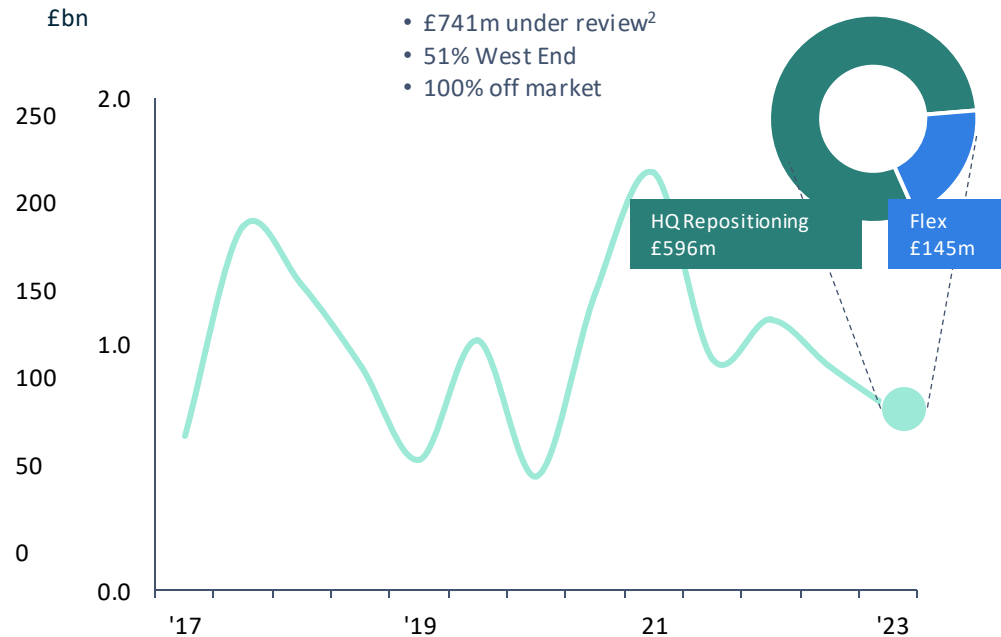


The Return Of The Cycle

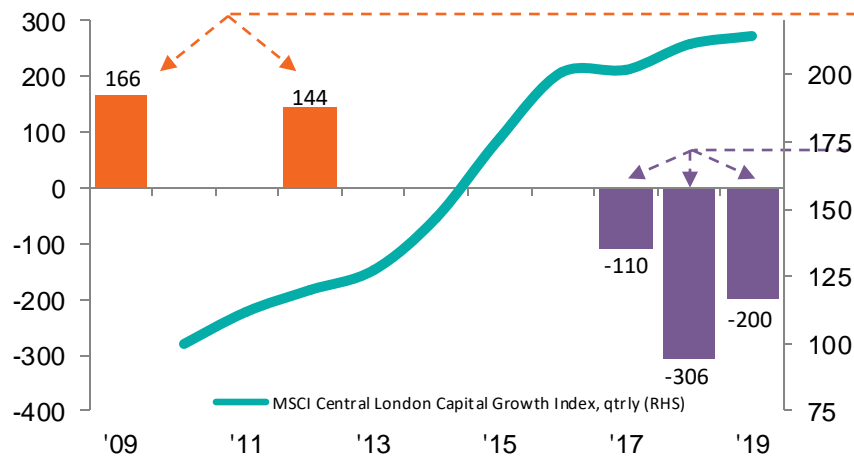
Capital Activity (£m)



Acquisitions



Track record of accretively raising & returning capital



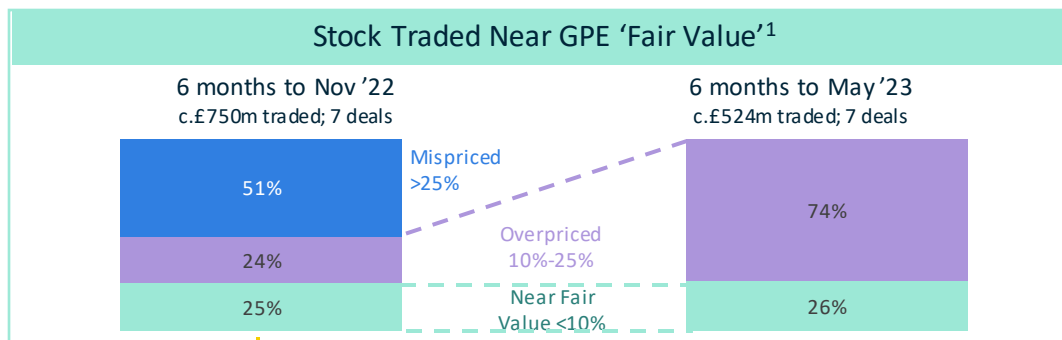
Capital Raised - £310m

- Invested within 9 months
- Discount to replacement cost
- Maintain LTV <35%

Capital Returned - £490m

- Following £1.1bn profitable sales since Jan 2017
- Maintain LTV >10%

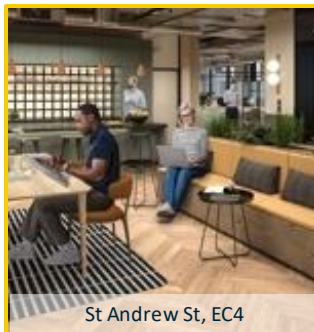
Which Means We Are Buying Again



6 months to Nov '22

6/10 St Andrew St, EC4

- £30m FH off market; 46k sq ft; perfect for Flex
- Farringdon Elizabeth Line
- c.£30m capex
- Stabilised income yield 6.8%; ungeared IRR 7.5%



2 Cathedral St, SE1

- £7.1m FH off market; 6,600 sq ft; 100% offices
- Single let to Mar '29
- Benefits from redevelopment of adjacent Minerva House



6 months to May '23

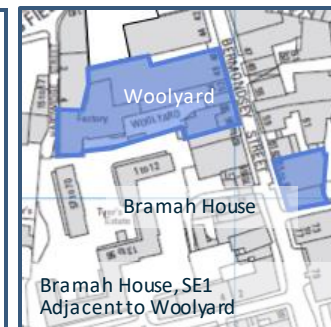
135/141 Wardour Street, W1

- £39m FH, 33.7k sq ft; Core Soho. TCR Elizabeth Line
- Perfect for Flex, £17m capex
- Stabilised income yield 6.5%; ungeared IRR 12.7%



Bramah House, Bermondsey St, SE1

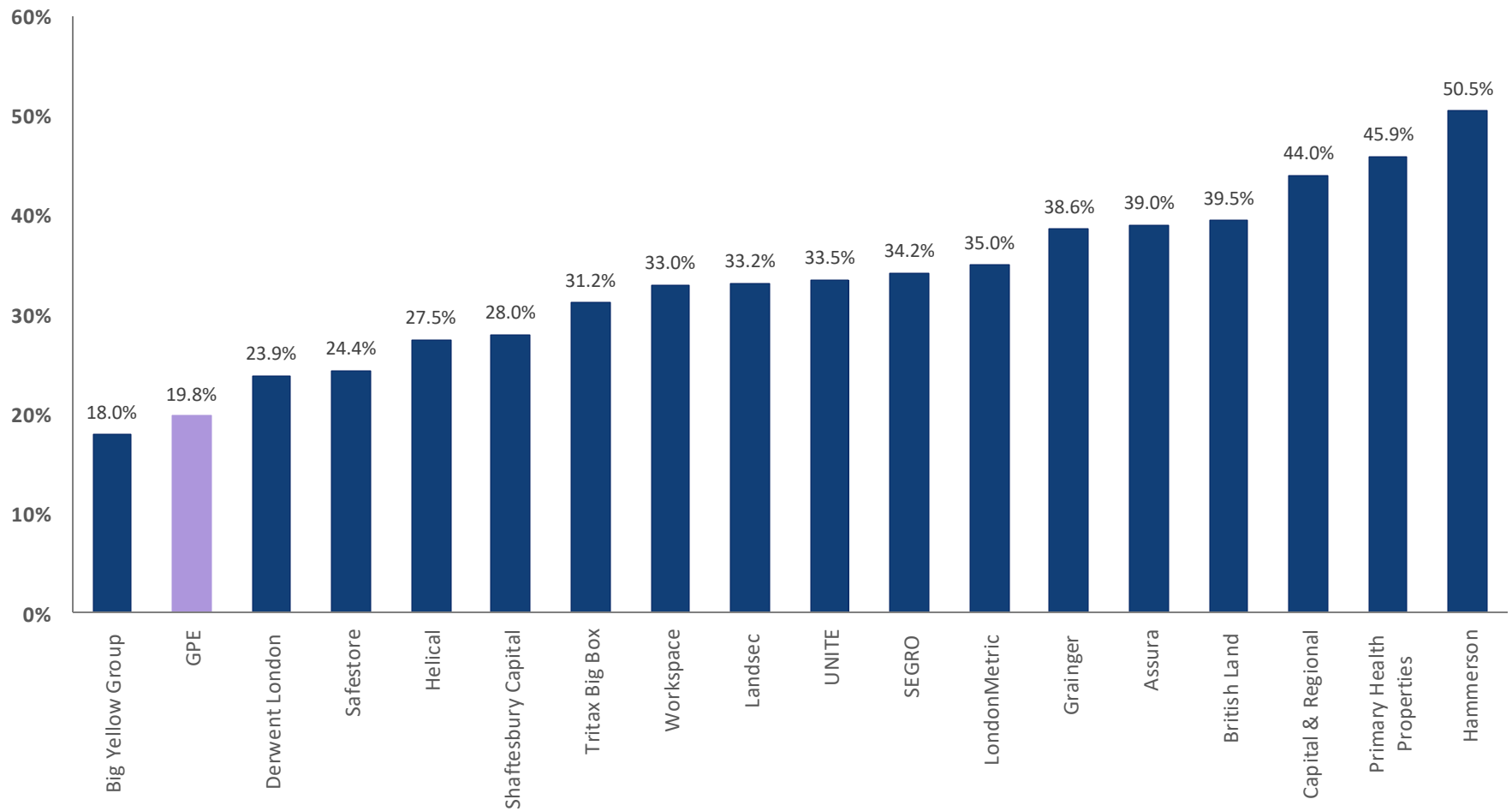
- £14m FH; 15.7k sq ft opposite GPE's Woolyard
- Perfect for Flex; £4m refurb once VP
- WAULT 3.2 yrs; NIY 5.9%; cap val £892psf;



£90m; Flex, Prime, Accretive IRRs

And We Can – Balance Sheet Strength

GPE LTV vs listed RE EPRA LTV¹



Buying Again

Soho Square Estate, W1



Rathbone Square, W1

The Soho Square Estate, W1

73/89 Oxford Street, W1

1 Newman Street, W1



Soho Square Estate, W1

Existing



Soho Square Estate, W1

Inherited Consent on Soho Square



Base Case Scheme - CGI of the proposed entrance on Soho Square



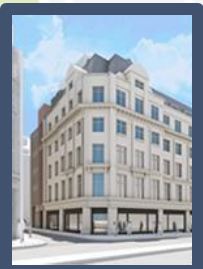
Base Case – CGI of Proposed roof terrace

We're Also Developing

Timed to deliver into economic recovery and supply shortage



35 Portman Sq, W1



Kingsland & Carrington Hse, W1



7/15 Gresse St, W1 (Flex)



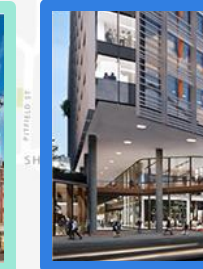
33 Alfred Place, WC1 (Flex)



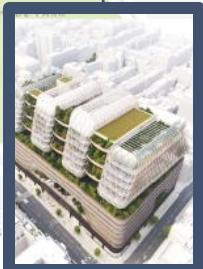
135/141 Wardour St, W1 (Flex)



6/10 St Andrew St, EC4 (Flex)



2 Aldermanbury Sq, EC2



Mount Royal, W1



French Railways House, SW1



Egyptian House, SW1 (Flex)



Bramah House, SE1 (Flex)



New City Court, SE1



Minerva House, SE1

1 Committed
Already pre-let¹
0.3m sq ft

4 Refurbs
All Fully Managed
0.3m sq ft²

3 Near Term, all HQ
2022/23 Starts
0.6m sq ft

3 Medium Term³
c.0.2m sq ft

11 Schemes Total
1.4m sq ft
c.49% of portfolio⁴

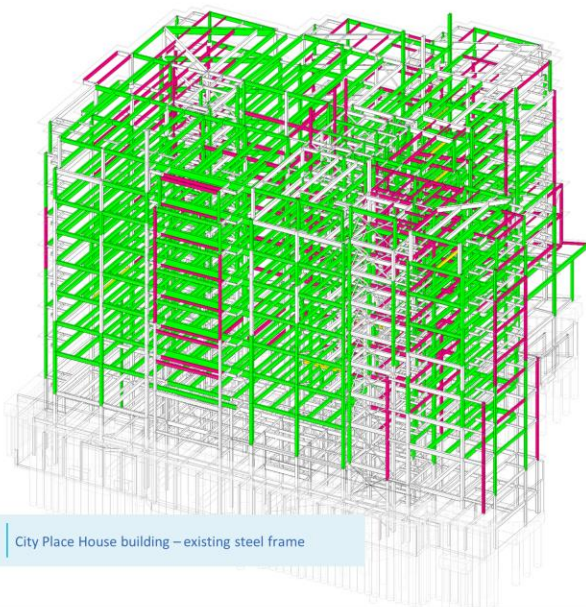
2 Recent Acquisitions
0.1m sq ft

1. Offices 2. sq ft includes other floor by floor Flex refurbishments 3. Existing area 4. By area, excluding acquisitions post 31 March 2023



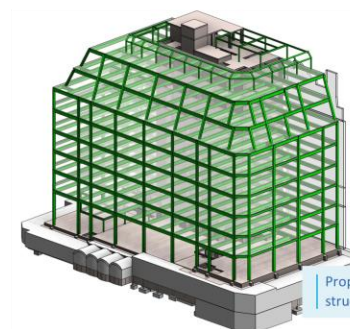
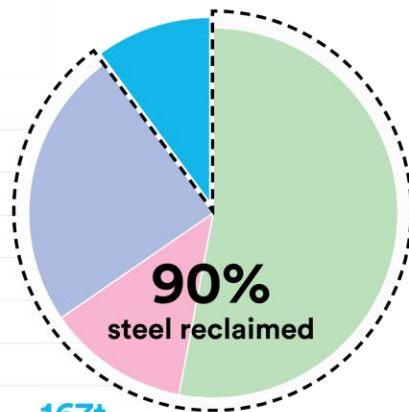
2 Aldermanbury Square. Steel re-use

90% of existing steelwork reclaimed



City Place House building – existing steel frame

53% 180 Piccadilly
 12% 2 Aldermanbury Square
 25% Surplus
 10% Recycled



901t reclaimed steel

1,680t CO2e potential carbon saving*

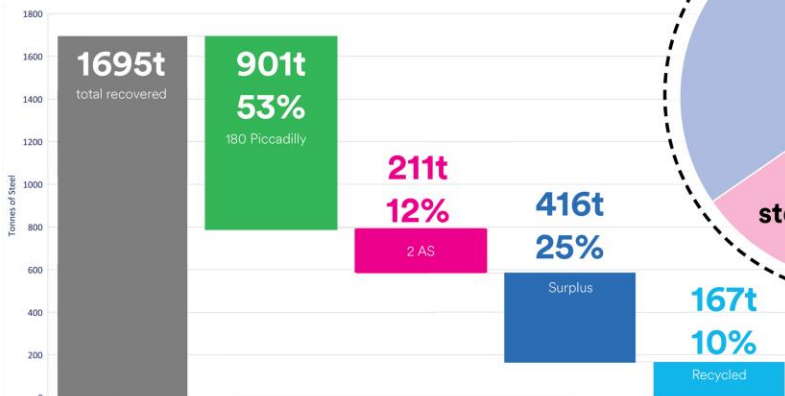
Proposed 180 Piccadilly – entire structure from reclaimed steel



211t reclaimed steel

393t CO2e potential carbon saving*

Proposed 2 Aldermanbury Square – plant screen and riser trims from reclaimed steel

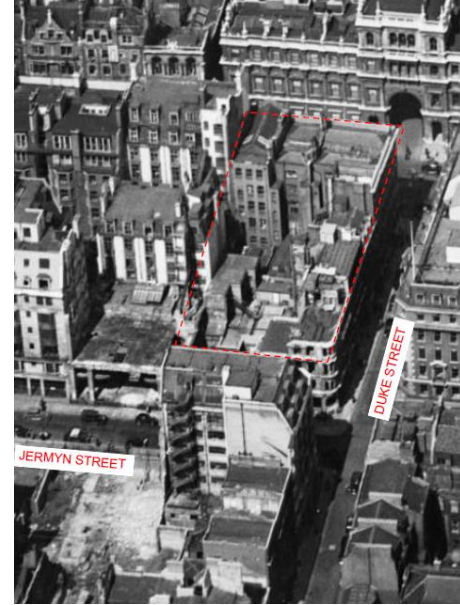


416t reclaimed steel

775t CO2e potential carbon saving*

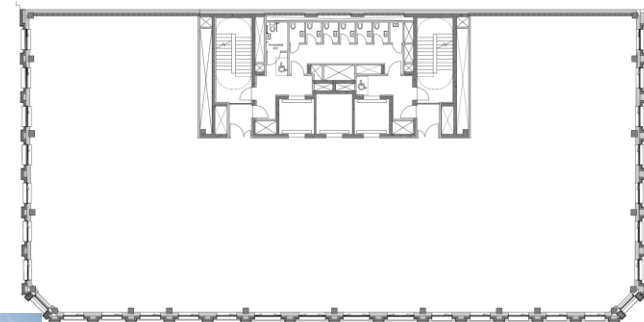
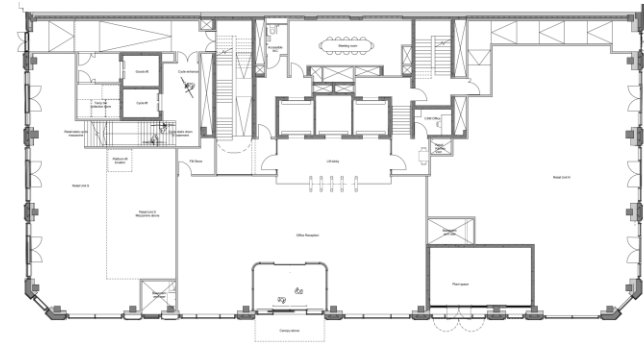
*assumes 47 kg-CO2e/t reclaimed steel vs. 1910 kg-CO2e/t new steel

50 Jermyn Street & 180 Piccadilly (JSP)



50 Jermyn Street & 180 Piccadilly (JSP)

66,600 sq ft; +22%



Landscaped communal roof terrace with outstanding view south and to Piccadilly

North/east elevation on Piccadilly

Minerva House, SE1

140,000 sq ft; +53%

GPE.



Minerva House, SE1

140,000 sq ft; +53%

GPE.



London Market – Outlook as at May '23

Near term, stabilising; medium term, best to outperform

Office Rents

Driver	Near Term Outlook	
	Nov '22	Today
GDP / GVA growth		
Confidence		
Business investment		
Employment growth		
Active demand / Take-up		
Vacancy rates		
Development completions		

Yields

Driver	Near Term Outlook	
	Nov '22	Today
Rental growth		
Weight of money		
Gilts		
BBB bonds		
Exchange rate		
Political risk		

Rental Values	GPE Portfolio		
	Nov '22: FY '23 Guidance	FY '23 Actual	May '23: FY '24 Guidance
Offices	0% to +3.0%	+3.3%	0% to +5.0%
<i>Prime</i>			+3.0% to +6.0%
<i>Secondary</i>			-2.5% to 0%
Retail	-2.5% to 0%	-1.5%	0% to +5.0%
Portfolio	0% to +2.5%	+2.1%	0% to +5.0%

Yields	FY '23 Actual	Yield Outlook	
		Near Term	
Office	+48bps	Prime Secondary	Robust demand for WE Prime Possible drift in City Best outperforms the rest
Retail	+22bps		

1. Office; bifurcation between 'best' and 'the rest'

- To widen further

2. The 'best' is changing

- Making life easier for customers; more comfortable, less formal.

3. Sustainable spaces win

- Re-use vs new build
- Materials revolution to come?

4. Cost of doing business; higher

- For longer, may be; not for ever!

5. The cycle is back

- Good!
- Efficient markets will solve NAV discounts, eventually

Change is everywhere; embrace it; get ahead of it

We unlock potential,
creating sustainable space
for London to thrive

Cambridge University Land Society

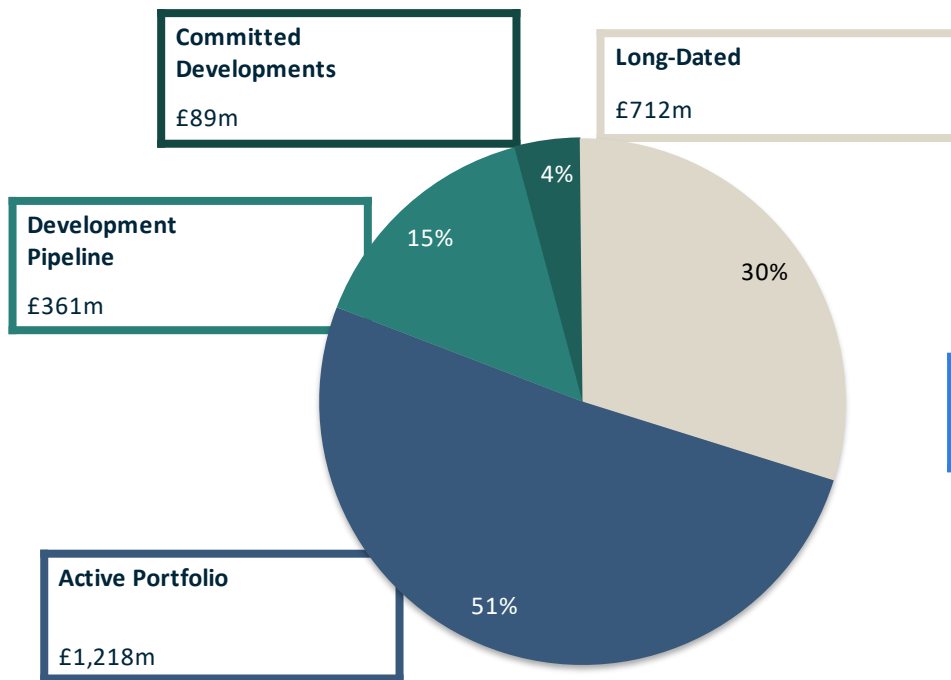
5 October 2023



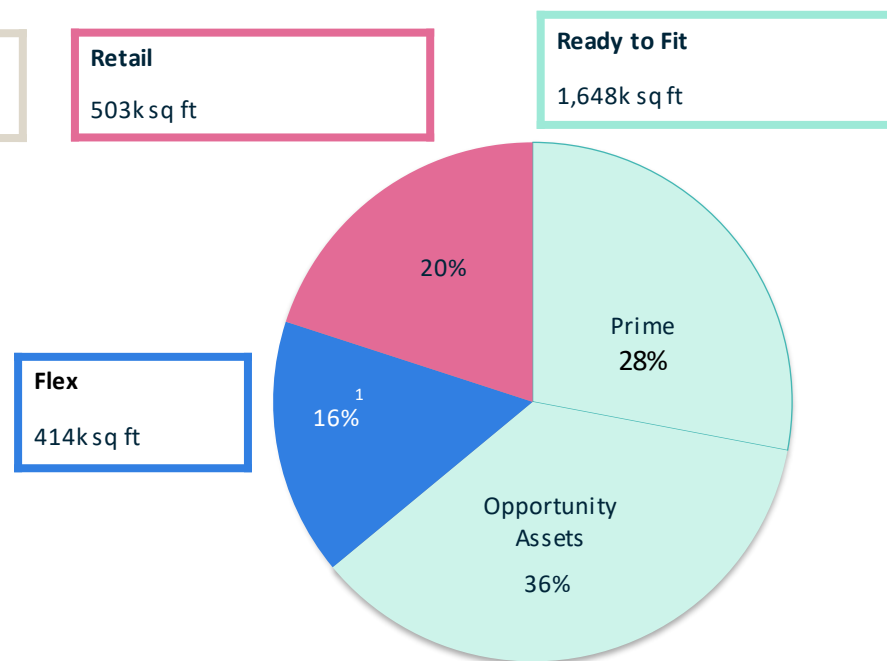
Our Portfolio in 2023

Significant potential to add value

Portfolio by Asset Class by Value



Portfolio by Product by Area

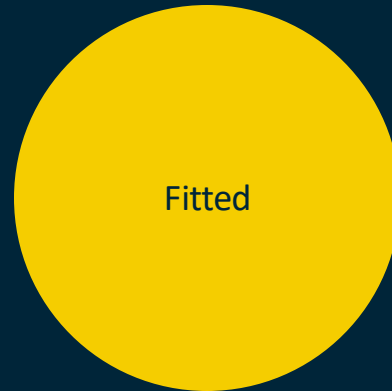


At 31 March

Three Flex Products

We understand our customers

GPE Flex Products



What Customers Want

GPE delivered;
by floor /building

Partnership delivered;
by desk/room

What Customers Want	Fitted	Fully Managed	Flex Partnerships
Dedicated, fully furnished space; customised branding	✓	✓	
Flexible agreements; space to grow	✓	✓	✓
Sustainably developed; proven workplace experts / trusted	✓	✓	✓
sesame® - smart workplace app; Wi-Fi enabled; concierge service; helpdesk	✓	✓	✓
IT support		✓	✓
Community manager; food & beverage		✓	✓
Full maintenance support ¹		✓	✓

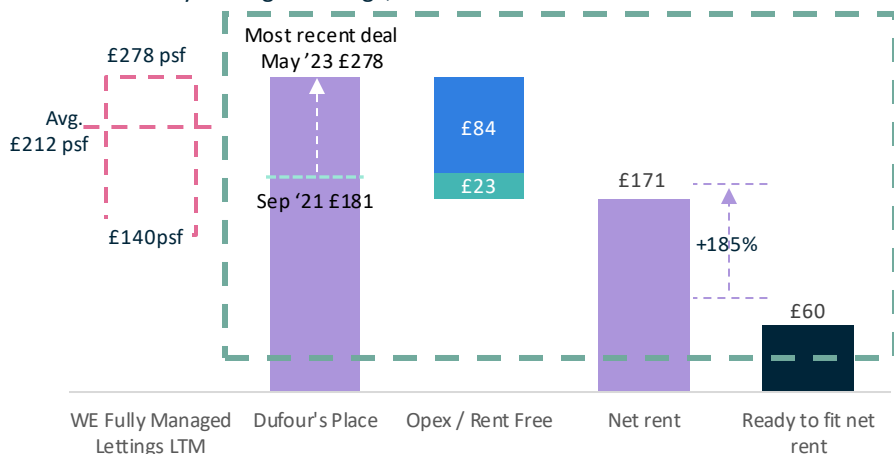
1. Cleaning service & maintenance; landscaping & planting; waste management

Flex Performance & Opportunity

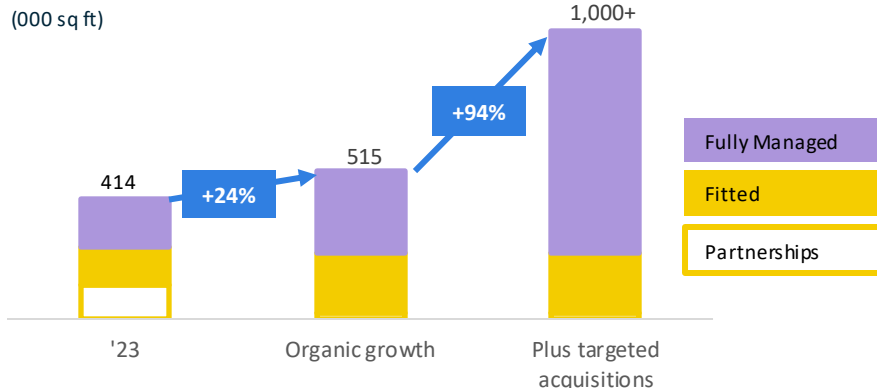
Growing returns; growing ambition

Flex Performing Well: Fully Managed Outperforming

- Unique product positioning; 'Fully Yours'
 - 6 KSPs (incl. ownership & sustainability)
- Leasing Well; £11.8m lettings; 10.8% ahead of ERV
 - Hickman 100% let or u/o (Fitted, flex p'ship, Ready to Fit)
 - 14 Fully Managed lettings; 8 in West End



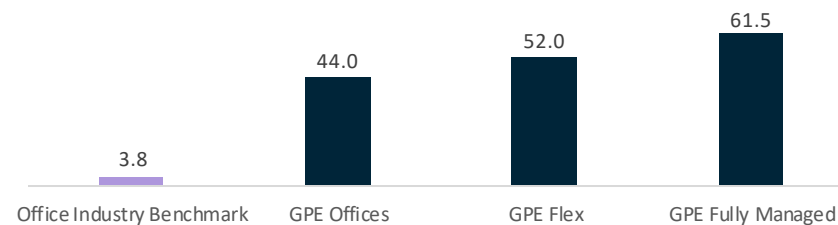
Flex growth to 1m+ sq ft by 2028



Flex Performance; FY '23

Returns vs. Ready to Fit	Fitted	Fully Managed	
	Actual	Actual	Target
Net Effective Rent	+48%	+81%	>50%
Relative Cashflow ²	+18%	+54%	>35%
Yield on Cost ³	4.6%	5.7%	>6.0%

Customer NPS: 2023⁴



London Market Opportunity – by 2028⁵

- 20% office market to be flex; 50m sq ft
- 57% occupiers will have 10%+ footprint as flex

GPE Scale Opportunity

- Clustering (customer retention and opex management)
- Fit-out capex economies
- Team capability

GPE Acquisition Track Record

- Clear criteria, disciplined approach
- 5 purchases for flex in last 15 months; £127m; 146k sq ft

1. 12 months to 31 March '23. 2. 10-year cashflow uplift after voids and fit out costs
 3. Average yield on cost over ten years, including land value 4. RealService 5. CBRE

Our Customer Focus

Our journey so far with New Look



Wells & More, W1

- February 2009: 60,900 sq ft
- £49.50 psf
- 15-year term, Ready to Fit
- Downsized 2021: to 44,000 sq ft



73/89 Oxford Street, W1

- March 2015: pre-let 31,800 sq ft
- Flagship retail: 20-year term
- £600 ZA
- Building sold to Norges in 2016



The Hickman, E1

- March 2023: 23,250 sq ft
- Fitted space: 10-year term
 - Break at year 7
- £65.00 per sq ft; no incentives

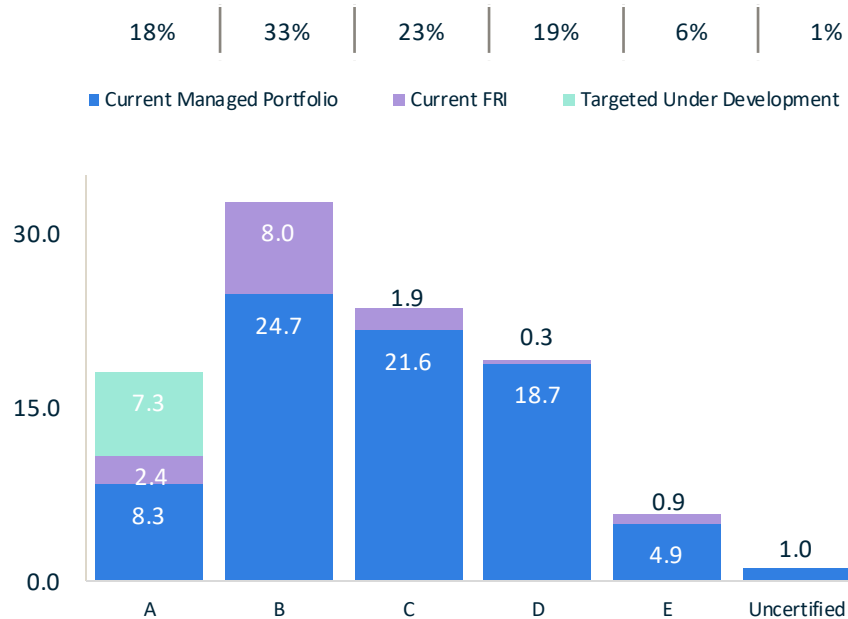
Progress on EPCs

- 100% compliant with '23 EPC legislation
- 43% of portfolio compliant with anticipated minimum B rating by 2030
- Rises to 51% of portfolio compliant on delivery of 2 Aldermanbury Square, EC2

Progress against Net Zero Carbon Roadmap

- 32.2% reduction in energy intensity (kWh/m²)¹ 66% reduction in carbon intensity (CO₂e/m²)¹
- 19% reduction in energy consumption FY '23
- 23% reduction in carbon footprint²

EPC Ratings: percentage of portfolio by area



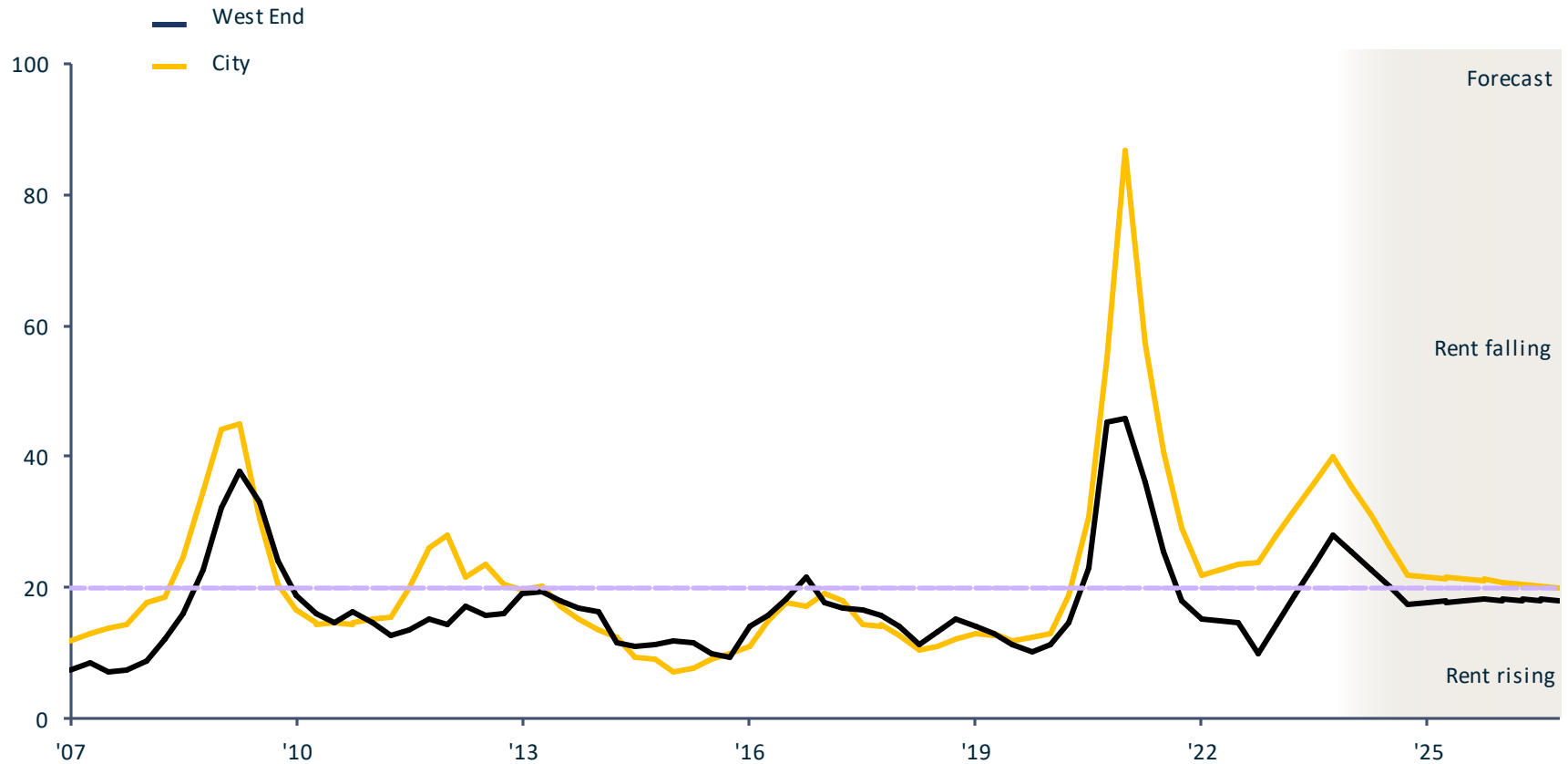
Decarbonisation Fund

- £768K in decarbonisation fund³ Scope 1 and Scope 2 energy consumption and contribution from 50 Finsbury Square, EC2
- 100% of funds³ deployed to support energy efficiency projects in portfolio
- £338K in decarbonisation fund for year to Mar '24 from Scope 1 and 2 emissions³
- Internal Carbon Price remains at £95 per tonne³

1. Against 2016 baseline. 2. Against 2019 baseline. 3. Year Ending March 2023

PMA: Office Market Balance¹

Months supply



Equity Demand and Asset Supply

Central London Investment & Development Property

