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We unlock potential,  
creating sustainable  
space for London to  
thrive

50 Finsbury Square &  
2 Aldermanbury Square  
Tour Sept 2022



# Strategy Evolving

## Meeting Customers' Changing Needs



### Our Strategic Givens

- 100% central London

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- Reposition properties

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- Match risk to cycle

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- Low financial leverage

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- Disciplined capital management

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- Sustainability: an imperative

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- Customer first

### Customer Needs

- |                    |  |
|--------------------|--|
| Quality            | Focus on prime                                       |
| Flexibility        | Our Flex spaces                                      |
| Service            | Customer first                                       |
| Health & Wellbeing | Amenity provision & design                           |
| Technology         | sesame®. World's 1 <sup>st</sup> Platinum SmartScore |
| Sustainability     | Strategic imperative                                 |
| Social Impact      | New strategy launched                                |

### Highlights of the quarter: strong leasing

- 38 new leases and renewals signed generating annual rent of £10.3 million (our share: £9.0 million), with market lettings on average 5.0% ahead of March 2022 ERV, including:
  - three fitted and four fully managed leases, achieving on average £182 per sq ft on the fully managed space, 14.6% ahead of March 2022 ERV; and
  - eleven new retail leases securing £3.4 million of rent with market lettings marginally below March 2022 ERV, including two units at 50 Finsbury Square, EC2, where the retail space is now all let or under offer.
- seven rent reviews were settled securing £9.5 million of annual rent (our share: £4.8 million), 2.1% ahead of the previous passing rent;
- total space covered by new lettings and renewals was 135,400 sq ft; and
- a further c.£42 million of rent under offer or under negotiation, including £7.1 million under offer on existing space (market lettings marginally ahead of March 2022 ERV).

# The Opportunity

Best in class repositioning to create GPE' first Net Zero Carbon building

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- Acquired in 2016: asset swap with DEKA
- Completed 2000: Foster and Partners designed
  - Let to Bloomberg on 20-year lease
- Bloomberg vacated 2018: relocating to new (Foster designed) European HQ on Queen Victoria Street
- Extensive refurbishment required:
  - Opportunity to reposition the asset to meet the requirements of the modern customer
- **The brief:**
  - Deliver a cutting-edge best in class office building
  - Respond directly to its location – the meeting point of London's creative, digital and traditional City occupiers with Crossrail proximity
  - Net Zero Carbon

# The Project

Significant repositioning: delivering amenity, wellness and innovation

- Reconfiguration of ground floor reception; 6.4m floor to ceiling and new 4,000 sq ft business lounge
- New roof terrace and pavilion (Pavilion achieved via planning appeal)
- All three façades reclad in replacement limestone
- Extend four floors partly into the open atrium
- All original glazing retained



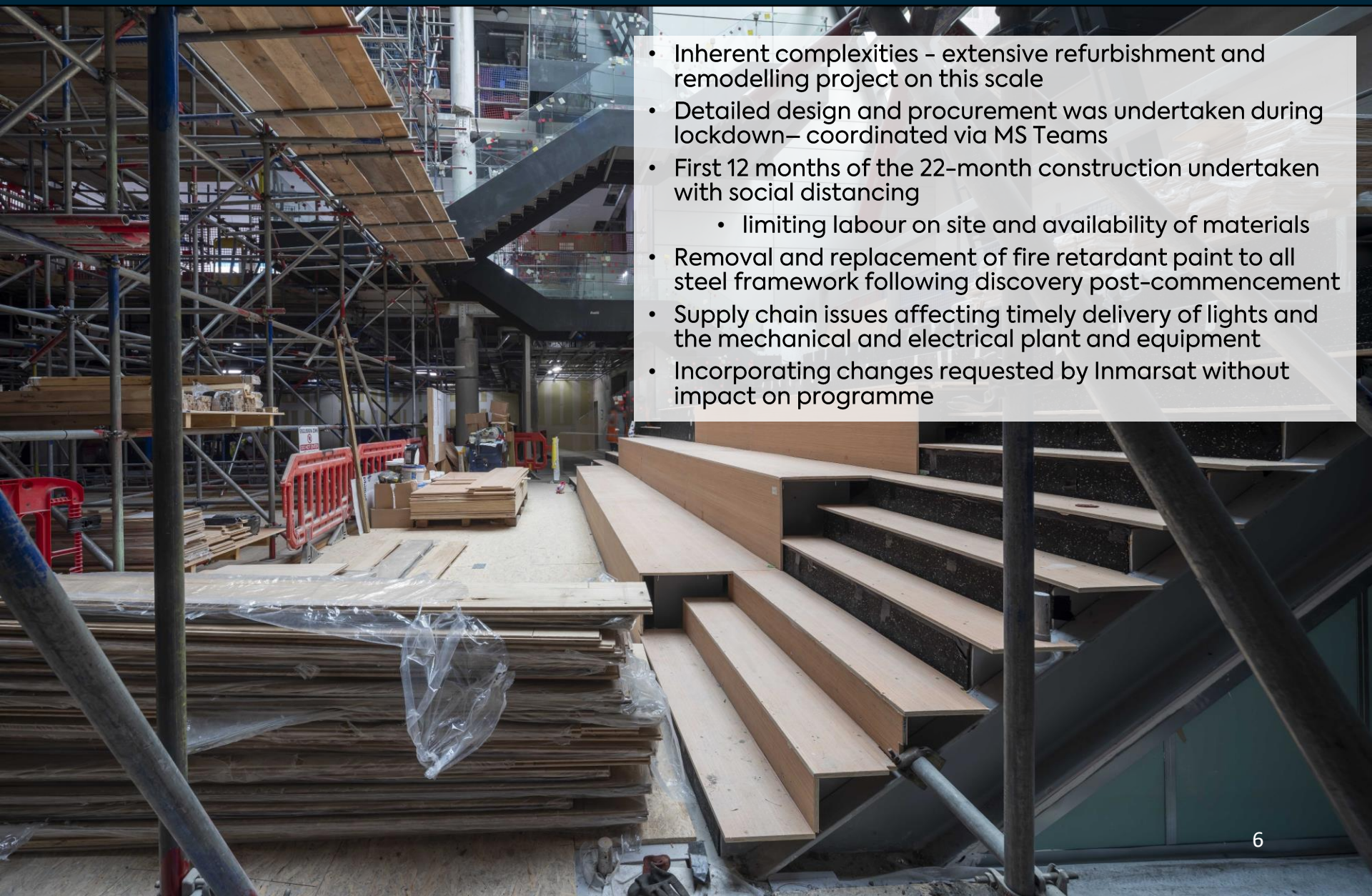
# The Project

Significant repositioning: delivering amenity, wellness and innovation



- Repurposing of atrium to provide amphitheatre and townhall space
- 100% replacement of M&E with all electric system designed to 1:8 occupancy
- 100% recycled raised floor panels
- Extensive cycle and end of journey facilities
- Smart building technology:
  - Customer control of heating, lighting plus air quality measuring technology via our Sesame app





- Inherent complexities – extensive refurbishment and remodelling project on this scale
- Detailed design and procurement was undertaken during lockdown– coordinated via MS Teams
- First 12 months of the 22-month construction undertaken with social distancing
  - limiting labour on site and availability of materials
- Removal and replacement of fire retardant paint to all steel framework following discovery post-commencement
- Supply chain issues affecting timely delivery of lights and the mechanical and electrical plant and equipment
- Incorporating changes requested by Inmarsat without impact on programme

# Pre-leasing Success

98% ERV secured, remainder under offer

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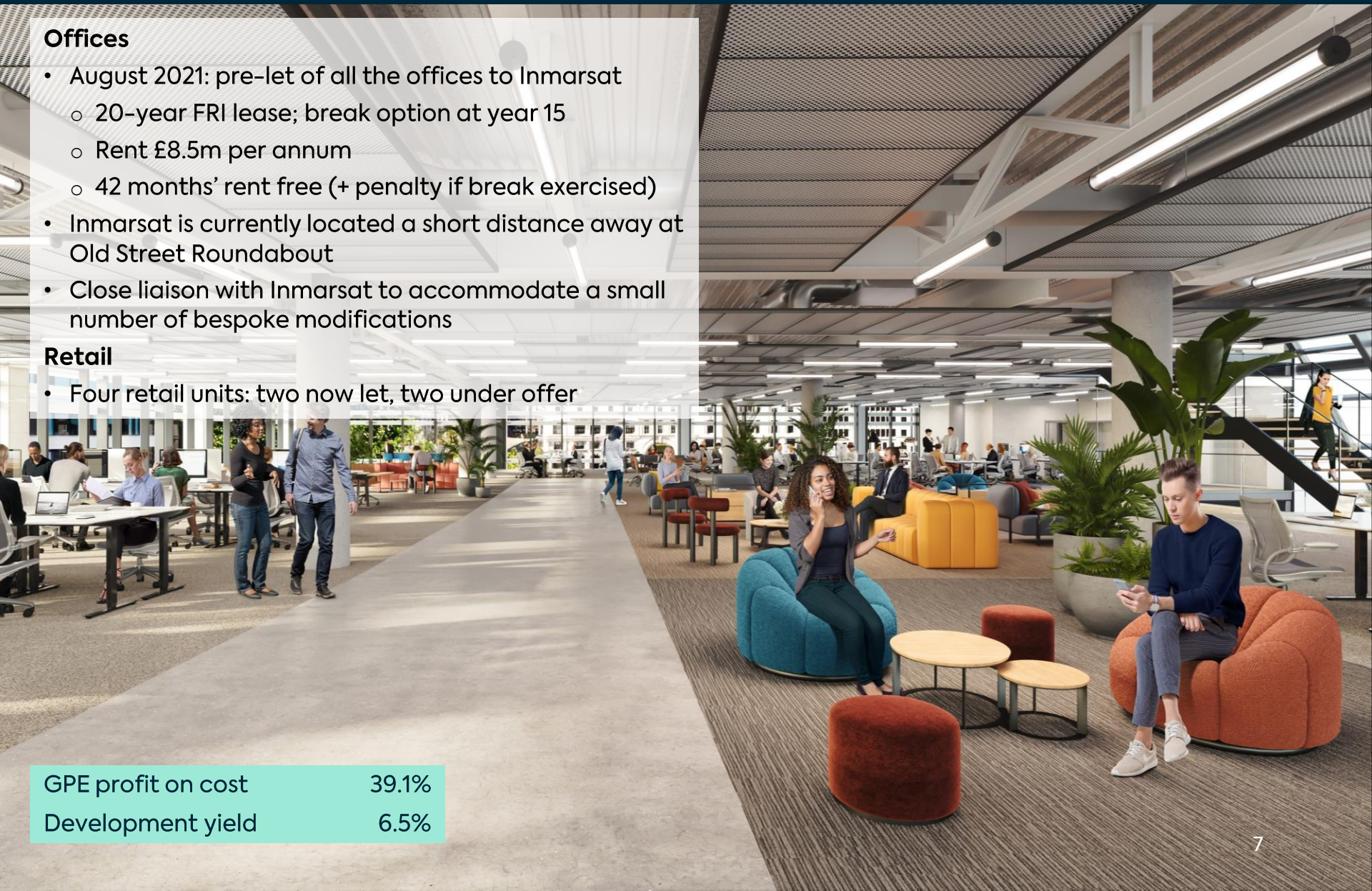
## Offices

- August 2021: pre-let of all the offices to Inmarsat
  - 20-year FRI lease; break option at year 15
  - Rent £8.5m per annum
  - 42 months' rent free (+ penalty if break exercised)
- Inmarsat is currently located a short distance away at Old Street Roundabout
- Close liaison with Inmarsat to accommodate a small number of bespoke modifications

## Retail

- Four retail units: two now let, two under offer

GPE profit on cost	39.1%
Development yield	6.5%



# Sustainability

Built into the design from the outset

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- **Retained and re-used** as much of the original building as possible
- First GPE **Net Zero Carbon** building (UKGBC operational carbon definition)
- **All electric:** heating and cooling generated via air source heat pumps
- **On-site renewable** photovoltaic energy source
- **Retention of double-glazed façade:** move away from the industry norm to dispose of materials many years ahead of their serviceable life. The glazing lifespan expected to be c.40 years - only at the mid-point
- **Recycled raised floor:** saving approx. 10% in embodied carbon
- **Embodied carbon:** 289kg CO<sub>2</sub>/m<sup>2</sup>, as verified by ARUP
- **Recycled limestone** from original façade used to create reception feature wall
- **Operational carbon assessment:** Energy Intensity 101 kWh/m<sup>2</sup>
- **BREEAM Excellent; EPC rating B**
- **Decarbonisation Fund contribution:** £460k (£95 per tonne of embedded carbon)





# 2 Aldermanbury Square, E2

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A range of refurbishment and retrofit options considered, but deemed unviable due to:

- Structural limitations
- Limited possibility for additional NIA
- Challenges of the existing building façade

Therefore: **Low Carbon New Build**

# The Opportunity

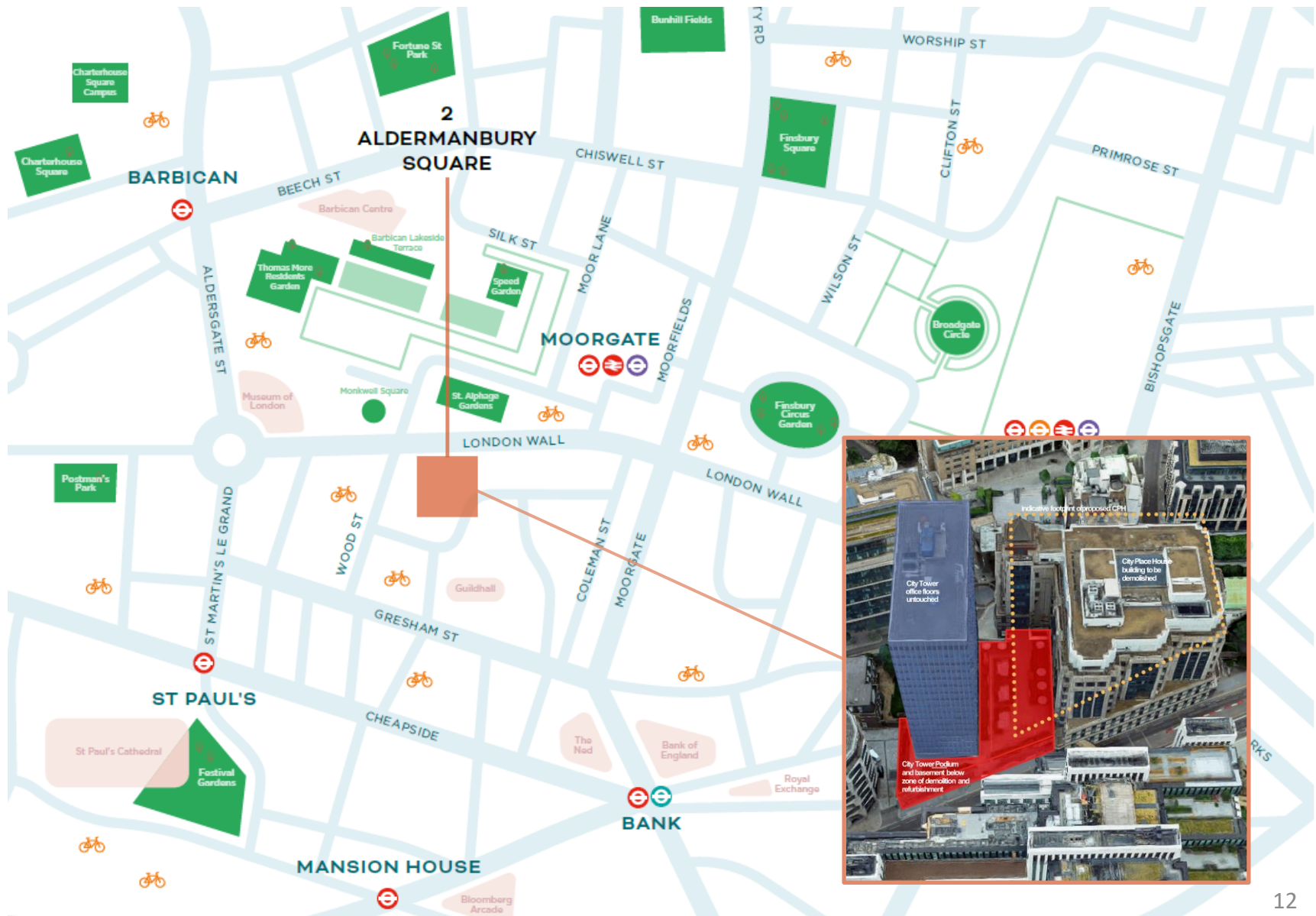
## The brief:

- Deliver best in class, Grade A office space
- maximise the site's potential given townscape, heritage and other local views
- Promote a positive local impact, public realm improvements and sustainability



# The location

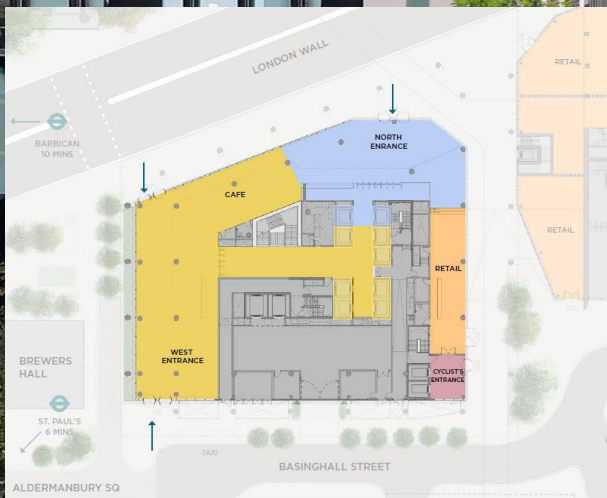
Heart of the City; 10 minutes walk from 5 tube stations and Crossrail



# Development overview

Planning consent achieved; new headlease signed with the City

- **Planning consent achieved in Sept 2021:**
  - **320,000 sq ft** of best-in-class office space
  - Typical floor area c.29,000 sq ft
  - **2.8m ceiling height** & natural light on all elevations
  - **Divisible** into 3 separate tenancies with no loss to net floorspace
  - **Transformed public realm;** new pedestrian walkway
- **New Headlease and Development Agreement** successfully negotiated with the City in Aug 2022
- **Demolition underway** with Practical Completion for 2AS anticipated Q4 2025
- **Lendlease** selected as main contractor



# Development overview

Customer first; best in class offices with significant amenity

## Customer experience and amenity at the forefront of design:

- 9,500 sq ft double height (7.1m) reception space
- 10,000 sq ft active ground floor retail uses
- Two private terraces per floor
- 5,500 sq ft multi-function roof terrace and adjoining internal amenity space
- integrated cafe and business lounge
- 610 cycle spaces
- 70+ changing cubicles and showers
- 732 lockers



# Sustainability

Designed with market leading sustainability credentials

- **Targeting:**

- Operational Net Zero Carbon
- EPC Rating A
- BREEAM: Outstanding
- NABERS 5\*
- WELL CORE Gold Ready
- Embodied Carbon Target 572kg CO<sub>2</sub>/m<sup>2</sup> (GIA), 5 years ahead of 2030 target
- **Targeting fossil fuel free**, utilising Air Sourced Heat Pumps for combined heating and cooling
- **Photovoltaic panels** to reduce energy requirements
- Significant **urban greening and biophilia** are incorporated in the terrace areas,
- Targeting a **10% increase in ecological value**
- **Solar shading** for optimised cooling
- **Decarbonisation Fund contribution: c.£2.3m**

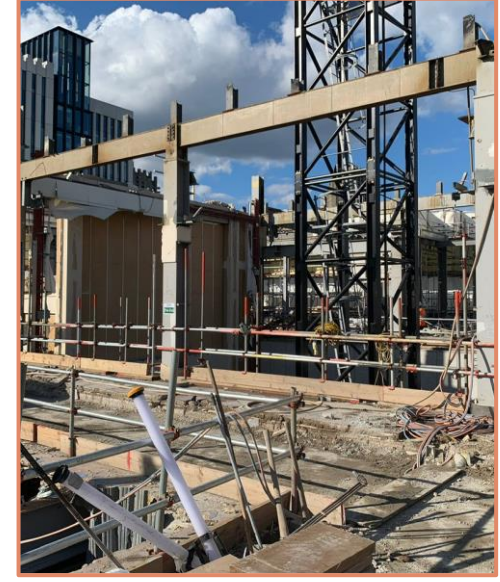
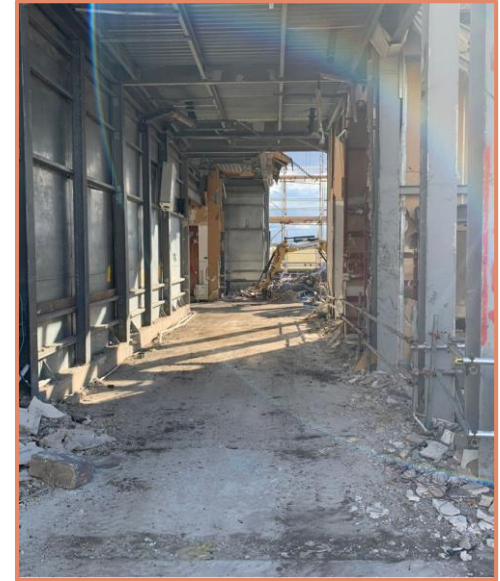
RE-USE,  
RECYCLE &  
RECOVER

**Embracing the circular economy:** extracting the existing steel frame for reuse in other schemes reducing the steel carbon footprint by 99%



# Demolition progress

Latest site progress photos from September 2022





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Appendix



# 50 Finsbury Square, EC2

## Construction images



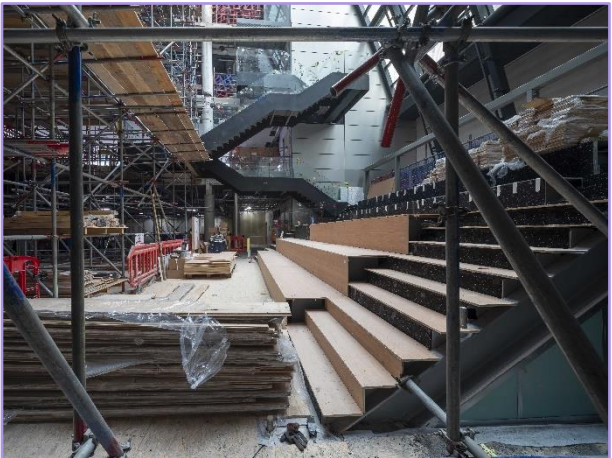
Level 6 CAT A Fit-out



Level 6 Terrace overlooking Finsbury Square



Roof Plant Enclosure



Atrium Base with Bleacher seating



Front Entrance Reception



50 Finsbury Square North Side

# 2 Aldermanbury Square, EC2

CGI views

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