

JPMC Crossrail Tour 8 January 2013

Unlocking potential

GREAT
PORTLAND
ESTATES



Agenda



1. GPE Update – Toby Courtauld
2. Crossrail Overview - Toby Courtauld
3. The Hanover Square Estate
 - History – Ben Chambers
 - The site today – Mashood Ashraf
 - Outlook - Neil Thompson
4. Crossrail at Tottenham Court Road – Neil Thompson
 - Rathbone Place
 - 73/89 Oxford Street
5. Coach to Rathbone Place via other key assets

Great Portland Estates

GPE Update

GREAT
PORTLAND
ESTATES



83% by value within 800m of Crossrail

Company Overview

GREAT
PORTLAND
ESTATES

Clarity of strategy

- Asset repositioning
- Recycling capital
- Central London

Execution

- Outperforming central London IPD

Starting point

- 83% West End
 - 100% core
- Low rents
- Low capital values

Opportunity for growth

- Capture reversions
- Exploit asset management strategies
- 21 scheme development programme
- Near term profit and rich potential
- Outstanding sites: Hanover Square, Rathbone Place, Jermyn St Estate
- Add to growth through accretive acquisitions



1. Significant development surpluses

- 1 project completed, 42% profit on cost
- 5 committed, expected 43% profit on cost
 - 47% pre-let; strong interest in remainder
- 5 near term, 646,000 sq ft, up from 3 in May
- 11 pipeline, 957,000 sq ft
 - 100% core West End
- Total programme: 21 schemes, 2.3m sq ft
 - 53% of existing portfolio
 - 70% in supply-constrained West End

2. Strong asset management

- 45 lettings; £4.5m new rent¹
- Market lettings 6.8% above ERV
- 2.4% void rate, ↓ from 2.7% (May 2012)
- Rental value ↑ 2.0%
- Rental income ↑ 3.6%²
- 11% reversionary

3. Successful recycling

- £184m sold
 - 4% > book value
 - 2.9% NIY
- £159m acquired
 - 4.1% NIY, 5.4% EY
 - 100% West End

More to come - IMS 31 January 2013

Key Successes since HY results



Financing growth - 9.99% Equity Placing

- £140 million gross proceeds raised at 6% premium to NAVPS and 2% discount to share price

Accretive acquisition

- Purchase of Minerva House, SE1 for £60 million (NIY 5.4%, average office rent £36 per sq ft)
- Three further assets under detailed review

Delivering development surpluses

- Practical completion of 33 Margaret Street, W1 (offices 100% pre-let, 65% ungeared IRR, 79% profit on cost)

Pre-let successes continue

- 40,000 sq ft pre-let at Wigmore Street, W1 to Lane, Clark and Peacock (15 year term certain, £77.50 per sq ft)

Enhancing rental income

- £1.3 million of space under offer 4.2% ahead of Sept 2012 ERV



Great Portland Estates

Crossrail Overview

GREAT
PORTLAND
ESTATES



Crossrail

What is it?

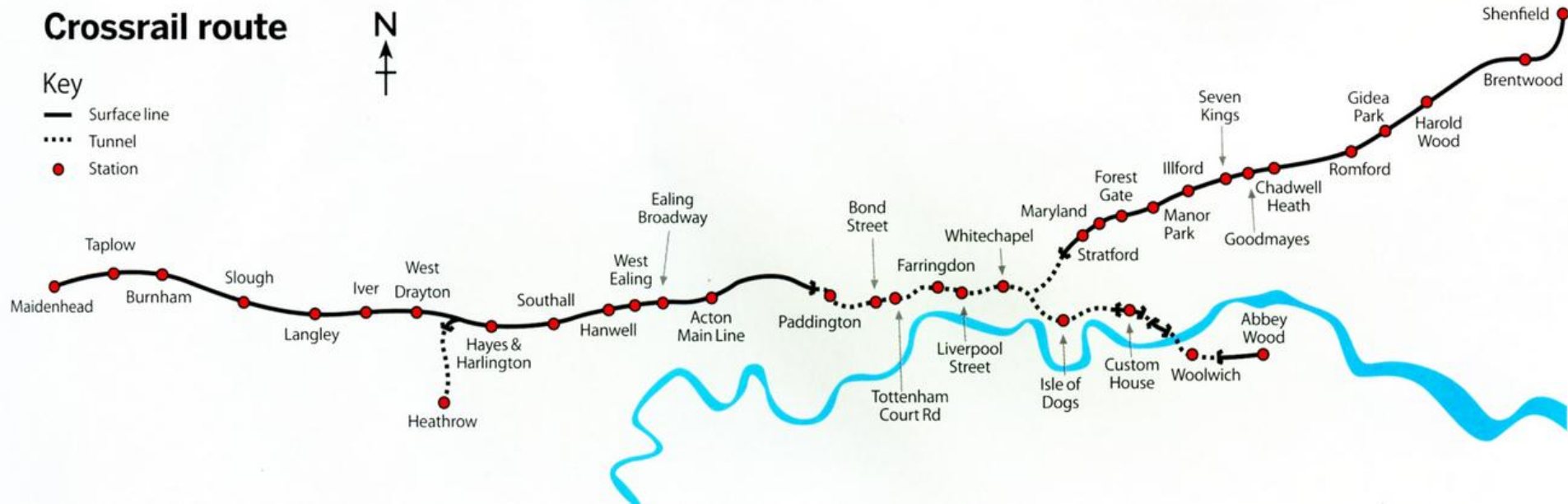


Crossrail route



Key

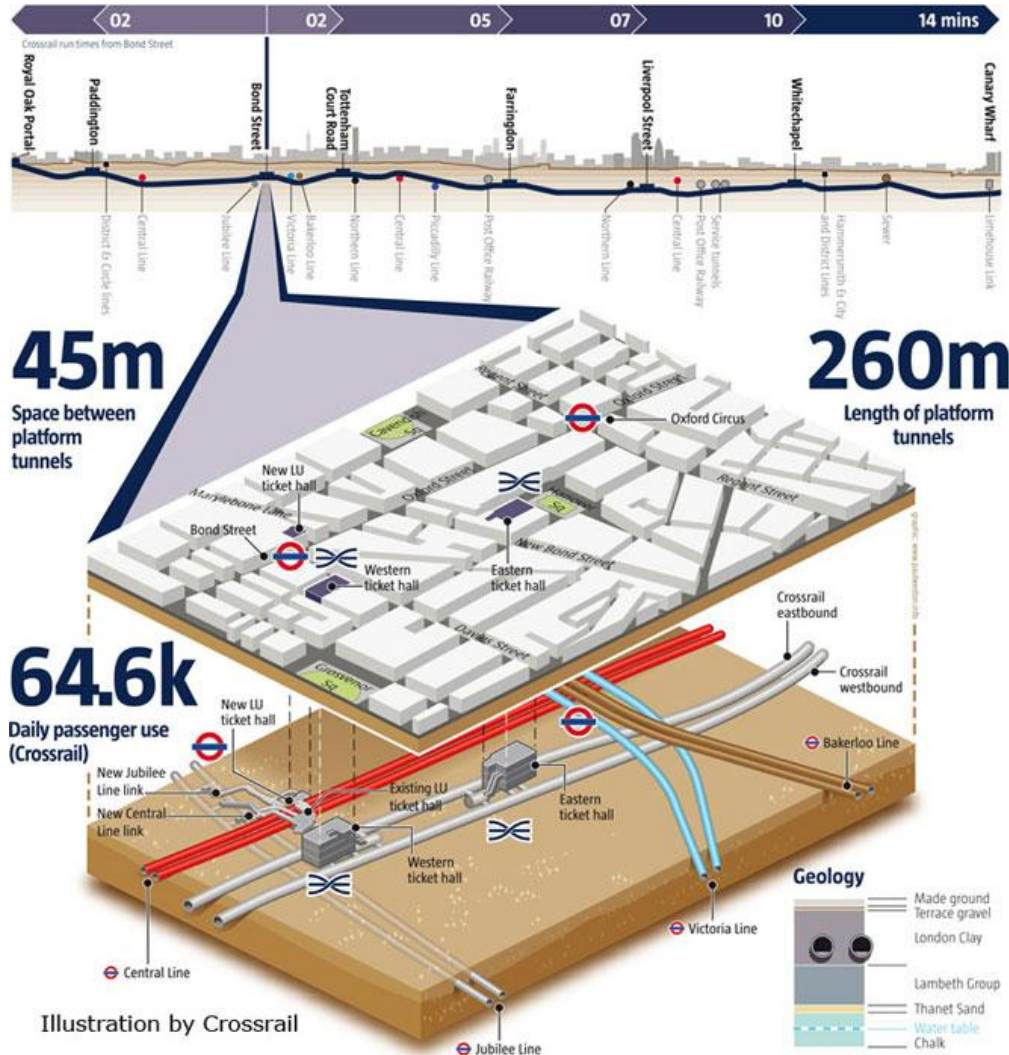
- Surface line
- ⋯ Tunnel
- Station



- A new high-frequency railway
- The largest addition to the London transport network in 50 years
- Capacity double that of the Jubilee line
- 24 trains an hour
- Increasing the public transport rail capacity by 10%
- Phased services commence late 2018
- Single train links to four main commercial areas:
 - Heathrow
 - West End
 - City of London
 - Canary Wharf

Crossrail

Full size trains will transform cross London travel



- 200 million passengers a year
- 260 metre platforms
- 200 metre trains
 - Capacity for 240 metre trains in the future
- Cross London journey times greatly reduced:
 - Bond Street to Canary Wharf - 14 minutes
 - Bond Street to Heathrow - 26 minutes

Crossrail

Business case and impact



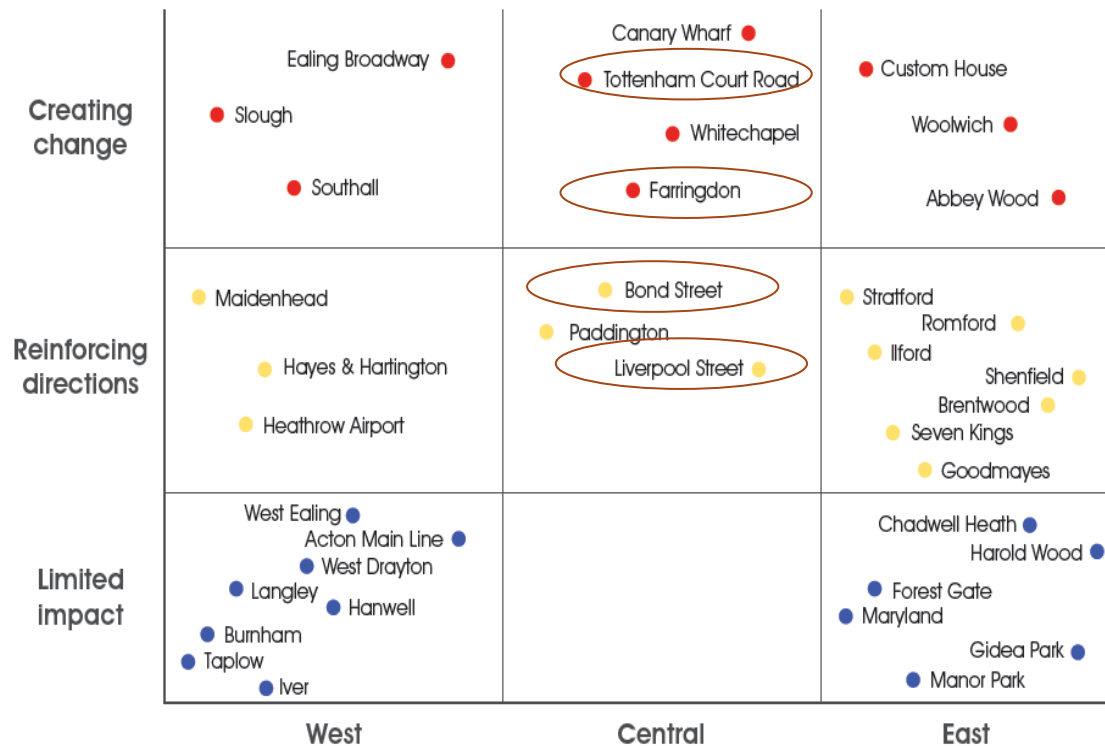
Why is Crossrail needed?¹

- London population +1 million over the next 20 years
- Resulting in +35% demand for peak hour public transport
- Current services over capacity

Economic impact²

- Will support 57,000 new homes near stations
- 35 million sq ft of new offices within 0.6 mile of stations
- Crossrail will increase local office values up by around 10% over the next decade
- Urban realm improvements will act as a driver for further development activity

Places to watch²



○ GPE exposure

Great Portland Estates

The Hanover Square Estate - History

GREAT
PORTLAND
ESTATES



Hanover Square Estate

A unique proposition



Hanover Square, W1

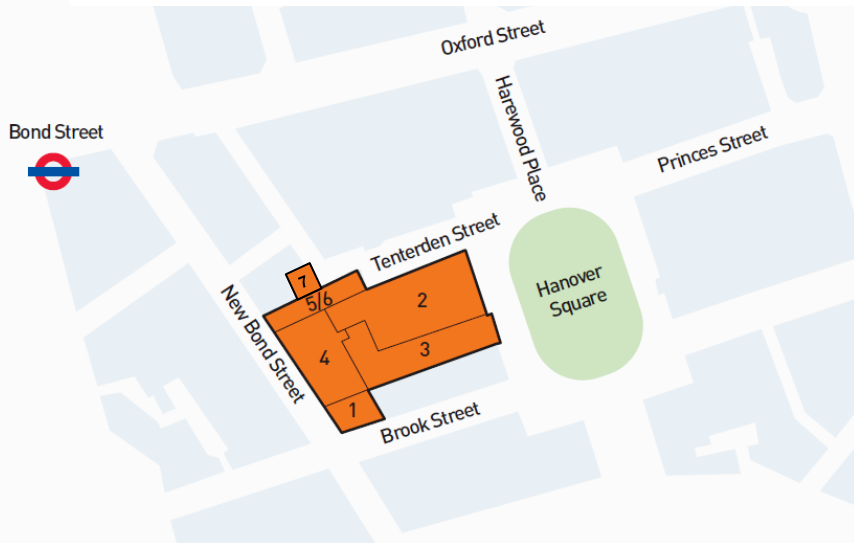
Generating value through site assembly

1.3 acre prime West End holding



Prime West End Site Assembled Through Six Acquisitions

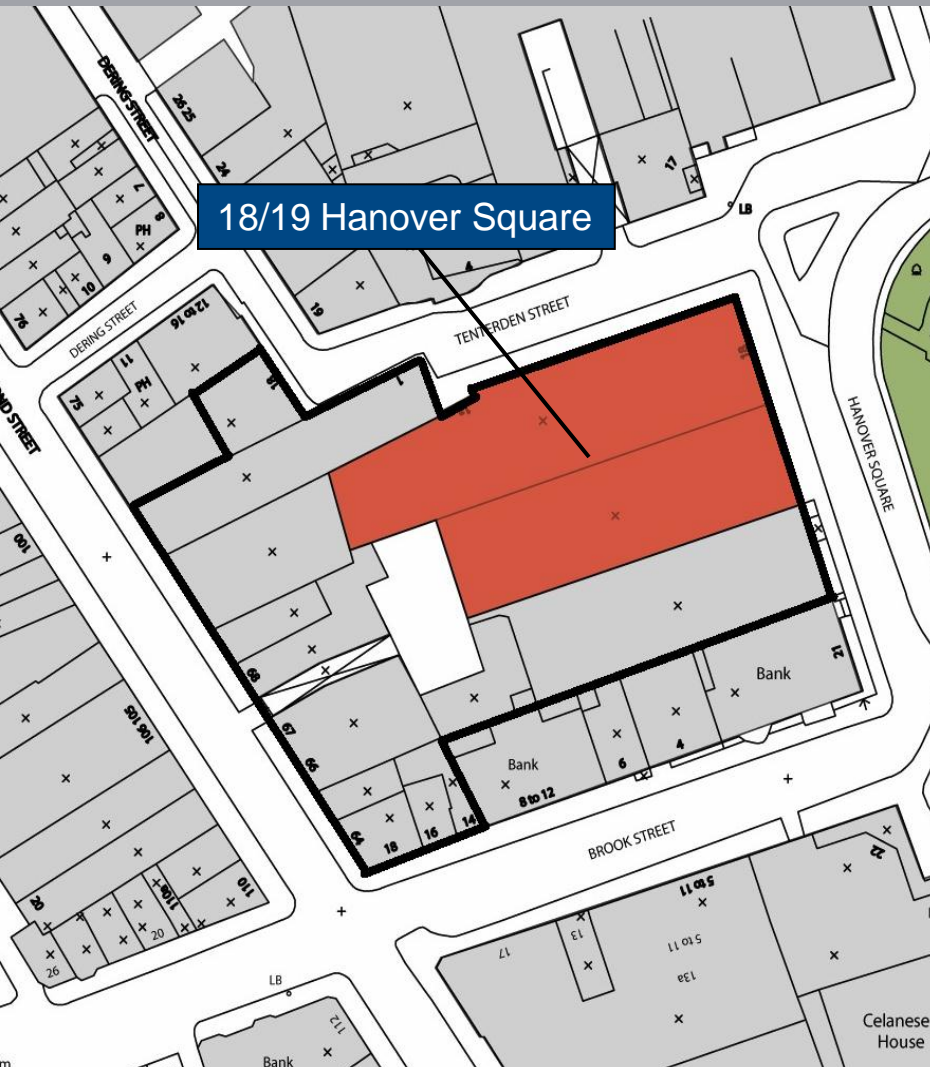
1 Original asset 64 New Bond Street 14/18 Brook Street	2 Acquired August 2006 18/19 Hanover Square	3 Acquired September 2006 20 Hanover Square	4 Acquired October 2006 65/71 New Bond Street	5/6/7 Acquired 2007/2008 1 Tenterden Street, 72 New Bond Street 18 Dering Street
→ 8,000 sq ft	→ 79,000 sq ft	→ 102,000 sq ft	→ 149,000 sq ft	→ 176,000 sq ft



- Six separate acquisitions, including two complex swap arrangements
- Six different vendors
- Total in cost (prior to CPO) c£150 million
- CPO receipts £59.0 million
- Total in cost c£90 million post CPO receipts
- Original collaboration agreement entered Nov 2006

18/19 Hanover Square

Compulsory purchase order



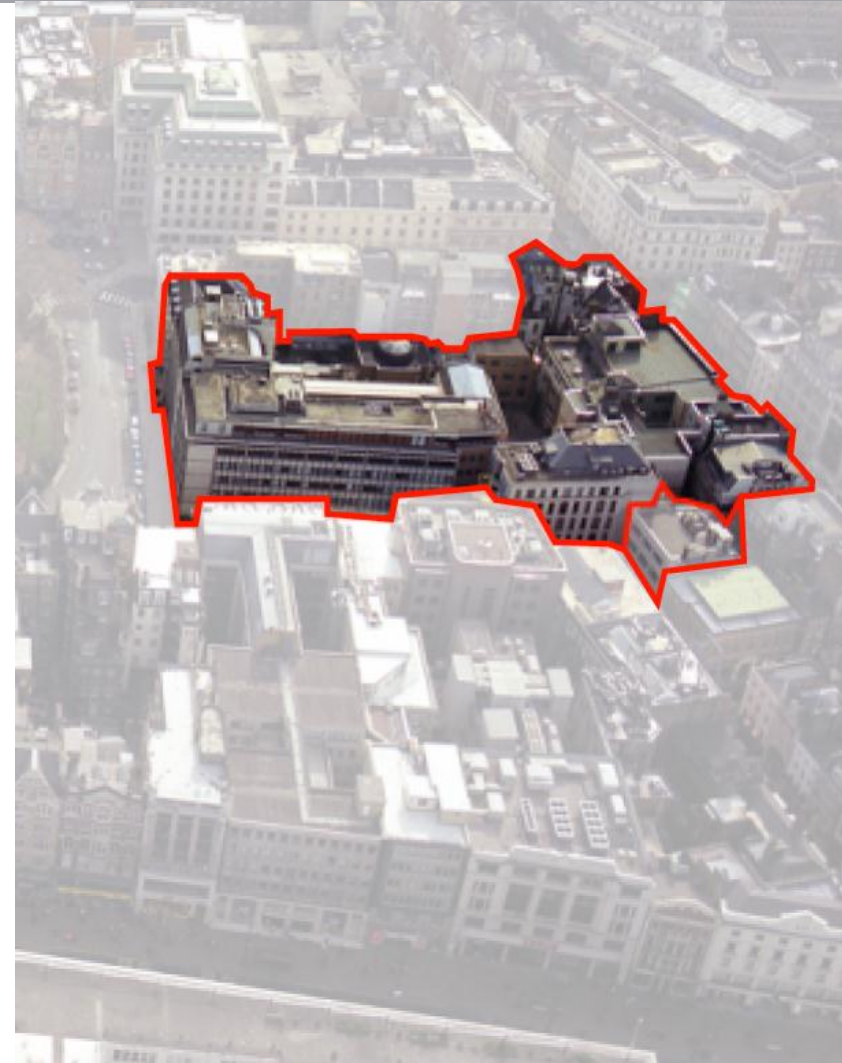
- 18/19 Hanover Square will be part of the Bond Street Station
- Compulsory purchased in December 2009 for £35.9 million
- GPE contested the valuation
- Subsequent recovery of a further £23.1 million
- Total proceeds £59.0 million
- 64.3% higher than original CPO

Collaboration agreement improved

Value enhanced



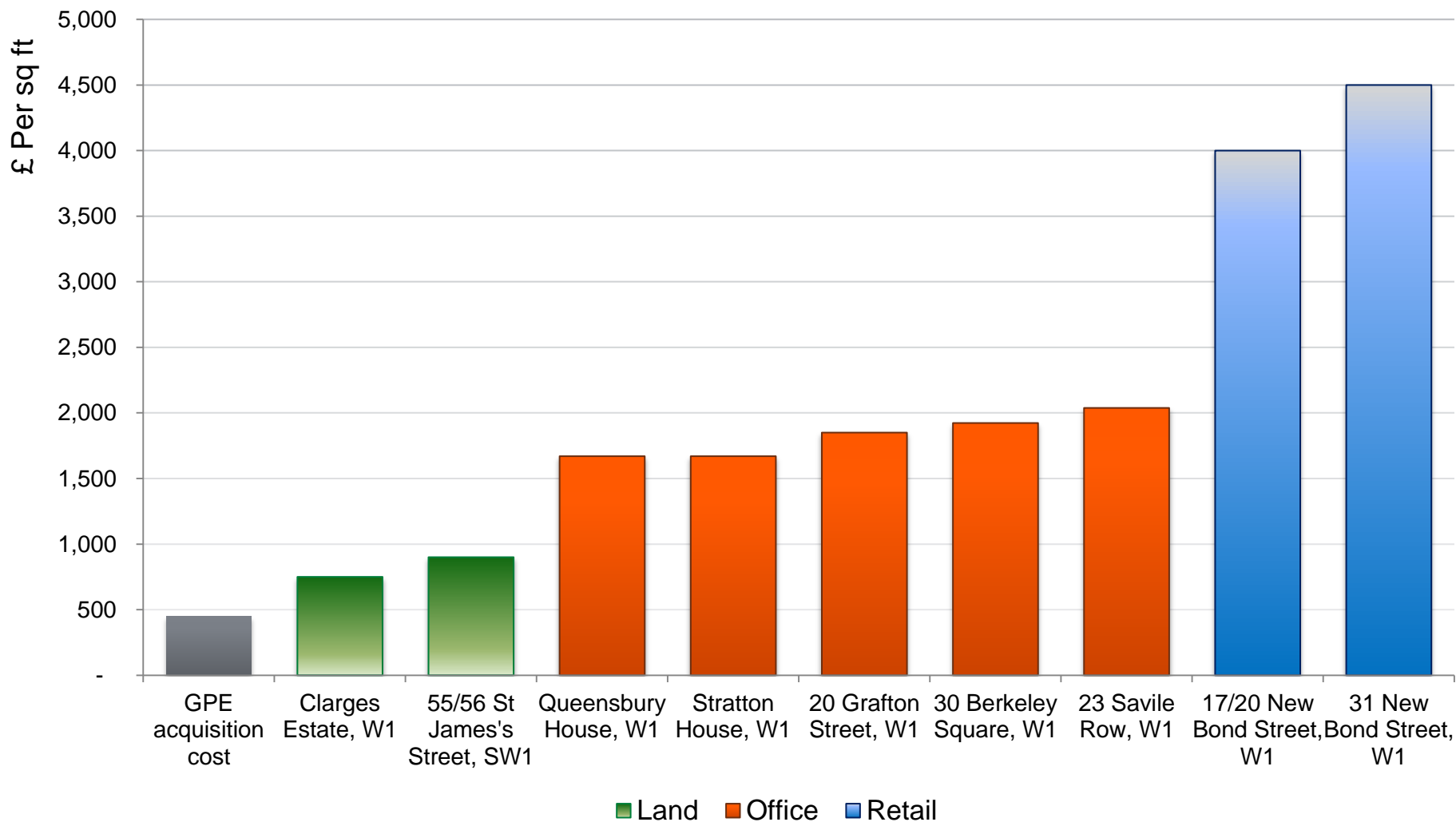
	Collaboration agreement	Improved masterplan
Developable sq ft	68,383 sq ft	206,700 sq ft
Site returned to GPE	2018	Q4 2015
Quality of office space	Compromised	Best in class
Public realm improvements	None	New public square
Land price basis	Collaboration agreement design	Collaboration agreement design
Buy-back price	1.0x	1.3x
Enhancement to adjoining GPE buildings	None	Included in developable square footage



The revised collaboration agreement will deliver a larger station and a comprehensive redevelopment of the entire site

Hanover Square Estate

Indicative comparable values



Great Portland Estates

Hanover Square Estate – The Site Today

GREAT
PORTLAND
ESTATES



Hanover Square Estate

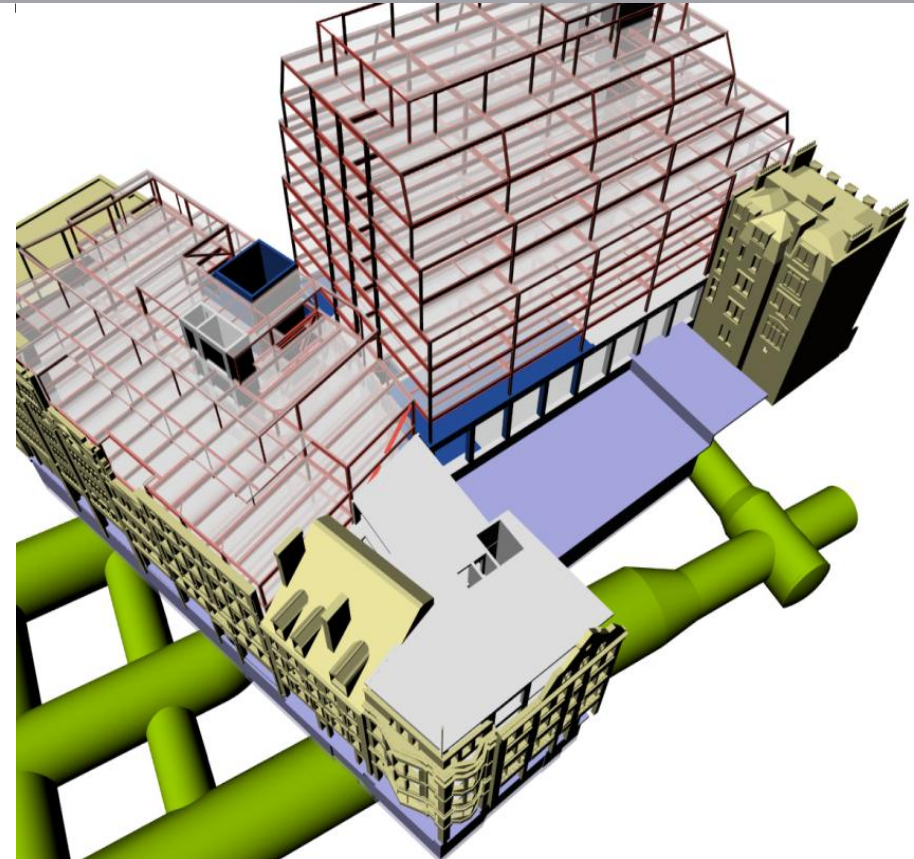
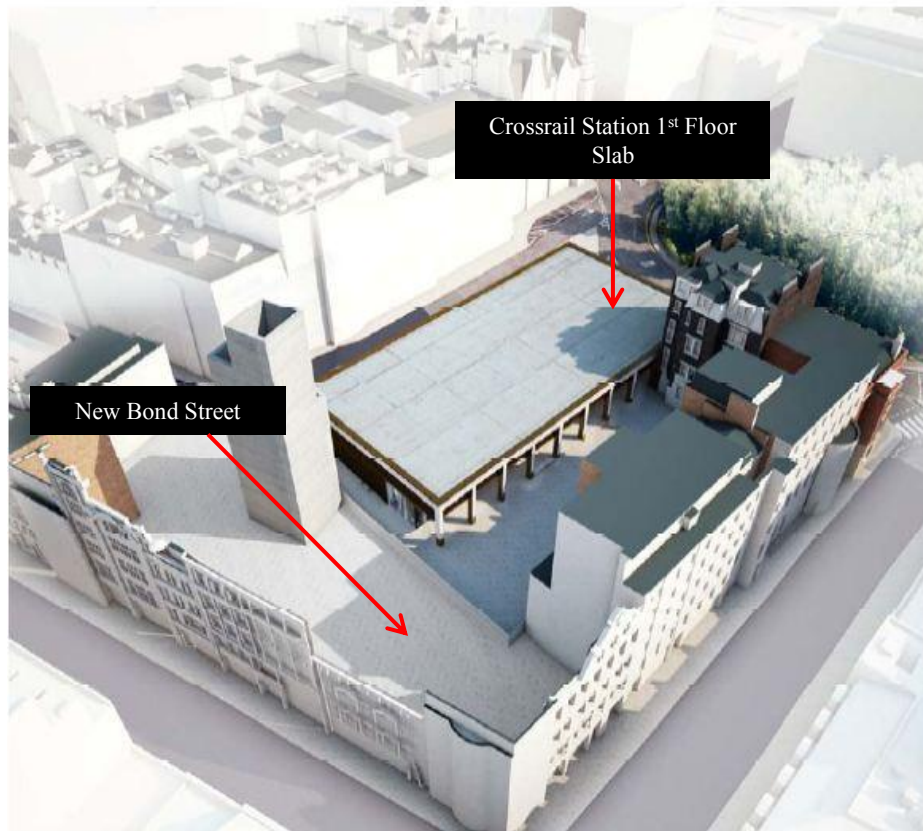
The site today

GREAT
PORTLAND
ESTATES

- Hanover Square will form the Eastern Ticket Hall of the Bond Street Station
- Crossrail on site
 - On programme
 - Anticipated handover to GPE Q3 2015

Hanover Square Estate

Development delivery



- Crossrail will hand over site to GPE Q3 2015
- Masterplan construction to commence Q3 2015
- 24 month construction programme – delivery by the end of 2017

Great Portland Estates

Hanover Square Estate - Outlook

GREAT
PORTLAND
ESTATES



Hanover Square Estate

Super prime location



ST JAMES PARK

BUCKINGHAM PALACE

THE RITZ HOTEL

GREEN PARK

HYDE PARK

PICCADILLY

THE ROYAL ACADEMY
OF ARTS

BERKELEY SQUARE

PARK LANE

CLARIDGE'S HOTEL

NEW BOND STREET

SOHO

HANOVER SQUARE

REGENT STREET

OXFORD STREET

OXFORD CIRCUS

Hanover Square Estate

Significant Mayfair mixed use scheme

GREAT
PORTLAND
ESTATES



CGI housing frontage to Hanover Square

Hanover Square Estate

Uncompromised office space

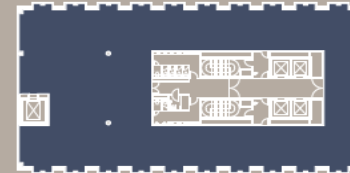


18/19 HANOVER SQUARE AREAS AND FLOOR PLANS

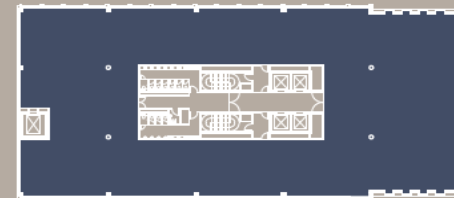


	USE	SQ FT	SQ M
Eighth	Office	9,379	871.3
Seventh	Office	10,795	1,002.9
Sixth	Office	10,795	1,002.9
Fifth	Office	14,949	1,388.8
Fourth	Office	15,777	1,465.7
Third	Office	18,512	1,719.8
Second	Office	18,512	1,719.8
First	Office	17,052	1,584.2
Ground	Office Reception	2,309	214.5
OFFICE SUBTOTAL		118,080	10,969.9
Ground	Retail	2,018	187.5
TOTAL		120,098	11,157.4

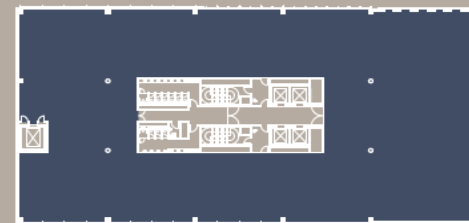
OFFICE
 RETAIL
 CROSSRAIL STATION



EIGHTH



FIFTH



SECOND



GROUND



Hanover Square Estate

Transforming retail on New Bond Street



NEW BOND STREET
26,500 SQ FT (2,462 SQ M) OF PRIME RETAIL



The retail space fronting New Bond Street will comprise approximately 9,500 sq ft (883 sq m) at basement level, 9,430 sq ft (876 sq m) at ground floor level and 7,700 sq ft (715 sq m) on the first floor.

The units will feature new large, unobstructed shop fronts. The new Bond Street East Crossrail station together with new pedestrian

routes through the scheme will provide significant additional footfall to the northern end of New Bond Street.

In addition, four further ground floor units are positioned fronting the new public open space and routes through the scheme, providing a further 5,965 sq ft (553.7 sq m) of retail and restaurant space.

- OFFICE
- RETAIL
- RESIDENTIAL
- CROSSRAIL
- PUBLIC OPEN SPACE



Hanover Square Estate

GREAT
PORTLAND
ESTATES



53

Value created through:

- Site assembly
- CPO challenge
- Amendment of collaboration agreement
- Planning consent

Value still to come through development

*CCI showing new public
open space looking towards
18/19 Hanover Square
colonnade and rear to
20 Hanover Square*

Great Portland Estates

Rathbone Place and 73/89 Oxford Street

GREAT
PORTLAND
ESTATES



Development opportunities

Tottenham Court Road Station

GREAT PORTLAND ESTATES

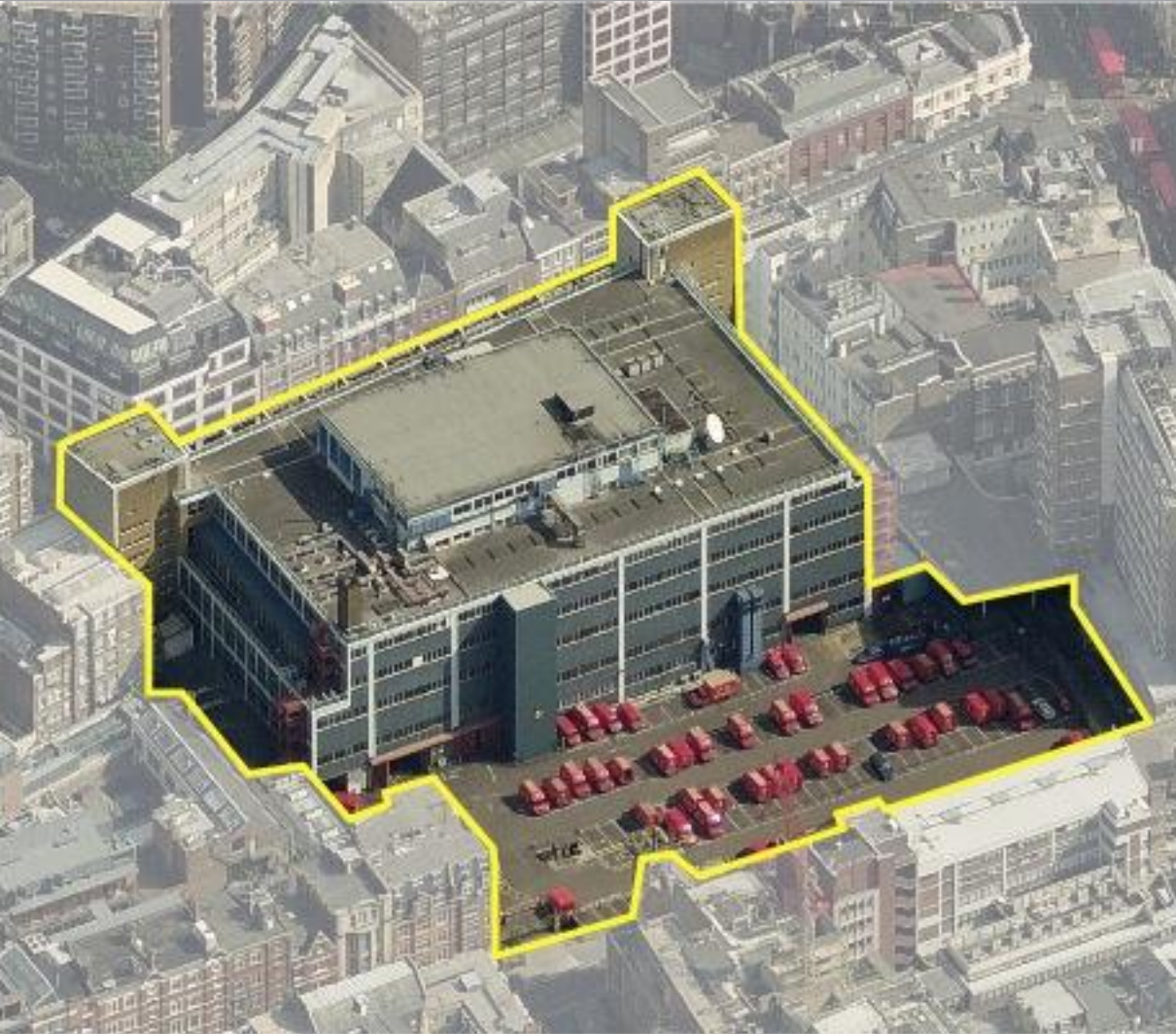
Rathbone Place, W1

73/89 Oxford Street, W1



Rathbone Place, W1

GREAT
PORTLAND
ESTATES



- Acquired Sept 2011
- 2.3 acres, freehold
- £120m
- Leaseback to Royal Mail to June 2013
- £4.6m total rent
- £313 per sq ft cap val (£300 per sq ft excluding rent)
- 50 yards north of Oxford St and Crossrail

Rathbone Place, W1

GREAT
PORTLAND
ESTATES



The Opportunity

- 383,400 sq ft
- Mixed use: office, residential, retail, cultural
 - Unique public space
- Key stakeholders supportive
 - Planning application 2013
- Anticipated completion 2016
- Major benefit from Crossrail
 - £63 psf office ERV
 - £1,700 psf residential value

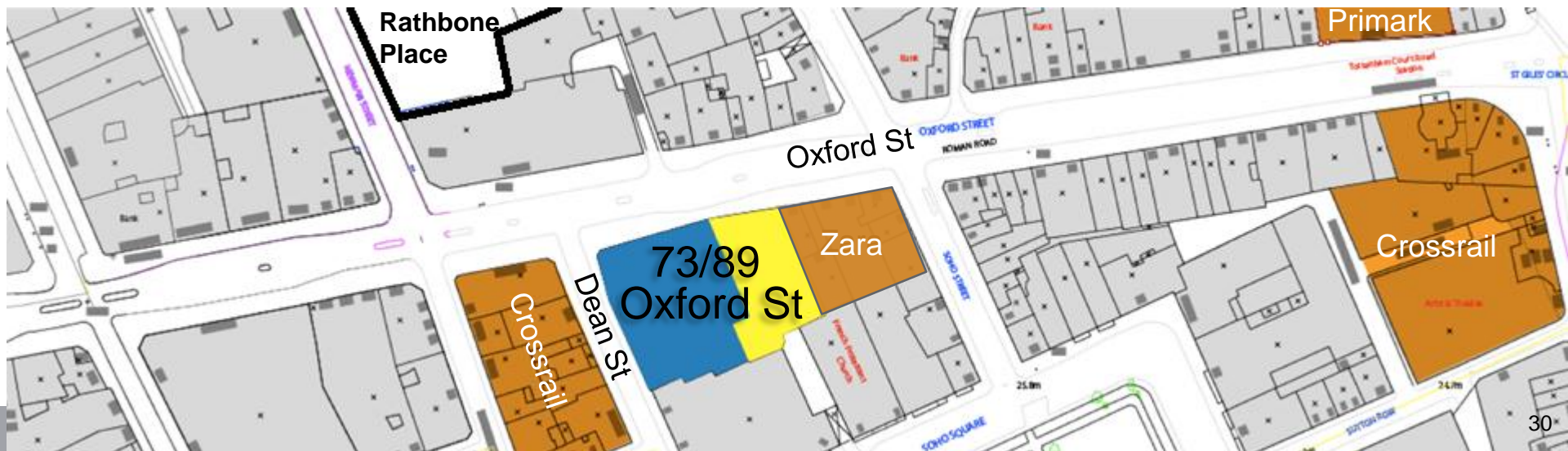
73/89 Oxford Street, W1



- Existing ownership 79/89 Oxford Street (blue)
- New ownership 73/77 Oxford St (yellow)
- c.0.5 acre corner site, adjoining Crossrail
- Paid £7.5 million, £91 per sq ft Cap Val
- Freehold to vendor
- 250 year LLH @ c.10% gearing
- £37.9m / £460 per sq ft Cap Val; NIY 5.4%

The Opportunity

- Potential approx 100,000 sq ft, ERV £7.0m
- Planning application Q2 2013
- Regeneration to area, including:
 - 140,000 sq ft Primark store open
 - 40,000 sq ft Zara store on site
 - Crossrail circa 2018



73/89 Oxford Street, W1

GREAT
PORTLAND
ESTATES



- 100,000+ sq ft office and retail
- West End's largest growth area
- Zone A rent: £221 to +£400 per sq ft today
- Vacant possession 2015+
- Timing to coincide with Crossrail



Summary

GREAT
PORTLAND
ESTATES

- 83% within 800m of Crossrail
- Some of London's most attractive sites
 - With or without Crossrail
- Significant value through pre-development process
 - Hanover Square/Rathbone/Oxford Street

