

Press Release



22 January 2025

Q3 leasing update

Great Portland Estates plc (GPE) publishes a leasing update for the quarter to 31 December 2024.

Toby Courtauld, Chief Executive, said: *“We are pleased to report another strong leasing quarter, having secured £9.0 million in new leasing deals, some 16.3% ahead of the valuer’s ERV. This brings our total leasing for the financial year to date to £19.5 million, 11.5% above ERV, demonstrating continued demand for our brand of high quality, well-located space and reinforcing our rental growth and positive TAR outlook.*

Whilst current macro-economic conditions are volatile, GPE’s outlook remains positive. Our prime occupational markets are healthy with good interest in the space we have available, particularly across our on-site developments and Fully Managed offices where we expect to set new benchmark rents. Furthermore, whilst investment markets remain muted given the volatile backdrop, this will likely extend our window for accretive purchases. Having already made three acquisitions since our capital raise in May, with our Courtyard purchase completing next week, we have invested around £200 million including expected capex and have a further building under offer to buy. In this context, and with our strong financial position, GPE is in great shape to deliver further growth.”

Strong leasing success; outperforming ERV by 16.3% in quarter

- 15 new leases and renewals signed in the quarter generating annual rent of £9.0 million (our share: £6.7 million), with market lettings on average 16.3% ahead of March 2024 ERV; including
 - Seven Ready to Fit leases were signed securing £7.2 million of rent with market lettings 16.9% above March 2024 ERV;
 - Four Fully Managed and one fitted lease signed, generating an additional £1.5 million of rent roll at an average £224 per sq ft on the Fully Managed spaces; in total 13.1% ahead of March 2024 ERV; and
 - Three new retail leases securing £0.3 million of rent with market lettings 17.1% above March 2024 ERV.
- In total, 43 new leases and renewals were signed in the nine months, generating annual rent of £19.5 million (our share: £13.5 million), with market lettings on average 11.5% ahead of March 2024 ERVs (offices; 13.2%; retail 4.1%);
- Since 1 January, we have let a further £3.0 million of rent and have a further £5.7 million of rent under offer with combined market lettings 10.5% ahead of March 2024 ERV; and
- At 31 December 2024, the Group’s vacancy rate increased to 6.3%, up from 4.0% at 30 September 2024, due to recent completions of refurbishments as we deliver new best in class spaces to an undersupplied market, including ‘SIX’ St Andrew Street, EC4, our new 48,000 sq ft Fully Managed scheme where early leasing interest is strong.

Leasing highlights in the quarter

In December, we let the second floor office space at wells&more, W1 to HEINEKEN UK, the UK's leading beer, cider and pub company. HEINEKEN UK committed to a 10-year lease over 17,000 sq ft of recently refurbished, best-in-class office space and is due to move in early this year on a Ready to Fit basis. The new lease is a continuation of GPE's strong relationship with the company, as they are relocating from Elsley House, W1 - another GPE office. The move will enable us to create a further five Fully Managed units and amenity space at Elsley House in the newly vacated space, further growing its cluster of Fully Managed spaces in Fitzrovia where we are tapping into strong demand for such high-quality, flexible offices.

Also in December, Independent Television News Limited (ITN) renewed both of its leases for 117,000 sq ft of workspace at 200 & 214 Gray's Inn Road, WC1, a 287,900 sq ft media hub building owned by a 50:50 joint venture between GPE and Ropemaker Properties (the property nominee of the BP Pension Fund). The contracted annual rent will be £4.1 million (ahead of March 2024 ERV and current passing rent) and will commence from March 2025 for a term of ten years (with a break at year five). ITN will continue to occupy around 40% of the total floor area across the two properties, where it will maintain its production of news programming for ITV, Channel 4 and Channel 5.

200 Gray's Inn Road, is currently undergoing a wholesale repositioning, designed to deliver an exceptional customer experience. The works will introduce a new 8th floor which will house a large west-facing roof terrace, including a 1,400 sq ft pavilion; a feature staircase to enhance connectivity between the lower floors of the building and an internal garden at the base of the impressive atrium, all of which will greatly improve the amenity for our customers.

We are also encouraged by the positive market reception to our two newly completed Fully Managed schemes at SIX St Andrew Street, EC4 and 31/34 St Alfred Place, WC1. Leasing interest has been strong and we anticipate announcing the first round of leasing deals in the coming weeks.

Full year results announcement

A provisional date has been set for GPE to announce its full year results on 21 May 2025, with the results presentation available on our website from 9.00am. www.gpe.co.uk/investors.

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