

24 November 2014

Derwent London to acquire Angel Square EC1 for £75m

Derwent London plc (“Derwent London”) has exchanged contracts to acquire the freehold of Angel Square, Islington EC1 in London’s Tech Belt from an overseas investor for £75.03m before costs.



The prominent corner property, opposite our successful Angel Building EC1, consists of three multi-let connected buildings around a central courtyard. It principally comprises 128,700 sq ft (11,960m²) of offices above Angel underground station. The passing rent is £2.4m per annum and 12,950 sq ft (10% by area) is vacant. Rents on the let space range from £10 to £30 per sq ft, with an average of £21.68 per sq ft. The majority of the leases expire in March 2015. The net initial yield is 3.05%, which reflects a capital value of c.£610 per sq ft after costs.

This reversionary acquisition complements our major holdings in the area, and offers significant near term asset management opportunities to deal with the vacancy and next year’s expiries. Over time there is the potential to regenerate and add to this substantial building. We expect the area to continue to benefit from its location midway between the new developments at King’s Cross and Old Street roundabout.

John Burns, Chief Executive Officer, commented:

“We are pleased to have acquired a significant property in this fast improving area. It provides short term asset management opportunities, and longer term we expect to reposition the buildings replicating our successes in nearby properties.”

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Notes to editors

Derwent London plc owns a portfolio of commercial real estate predominantly in central London valued at £3.7 billion as at 30 June 2014, making it the largest London-focused real estate investment trust (REIT).

Our experienced team has a long track record of creating value throughout the property cycle by regenerating our buildings via development or refurbishment, effective asset management and capital recycling.

We typically acquire central London properties off-market with low capital values and modest rents in improving locations, most of which are either in the West End or the Tech Belt. We capitalise on the unique qualities of each of our properties – taking a fresh approach to the regeneration of every building with a focus on anticipating tenant requirements and an emphasis on design.

Reflecting and supporting our long-term success, the business has a strong balance sheet with modest leverage, a robust income stream and flexible financing.

Landmark schemes in our portfolio of 5.7 million sq ft as at 30 June 2014 include Angel Building EC1, The Buckley Building EC1, White Collar Factory EC1, 1-2 Stephen Street W1, Horseferry House SW1 and Tea Building E1.

In 2014 to date the Group has won the Property Week ‘Developer of the Year’ and the RICS London Commercial Award, and was shortlisted for awards by Architects’ Journal, BCO, NLA and OAS. The Group was also awarded EPRA Gold for corporate and sustainability reporting.

In the 2013 Management Today awards for ‘Britain’s Most Admired Companies’ Derwent London came tenth overall and topped the real estate sector for the fourth year in a row. During 2013 the Group was awarded two OAS awards and AJ Retrofit and NLA awards.

For further information see www.derwentlondon.com or follow us on Twitter at @derwentlondon.

Forward-looking statements

This document contains certain forward-looking statements about the future outlook of Derwent London. By their nature, any statements about future outlook involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. Actual results, performance or outcomes may differ materially from any results, performance or outcomes expressed or implied by such forward-looking statements.

No representation or warranty is given in relation to any forward-looking statements made by Derwent London, including as to their completeness or accuracy. Derwent London does not undertake to update any forward-looking statements whether as a result of new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast.