

3 July 2017

Derwent London plc (“Derwent London” / “the Group”)
Derwent London sells The Copyright Building for £165m

Derwent London is pleased to announce that it has exchanged contracts on the sale of its long leasehold interest in The Copyright Building, 30 Berners Street W1 to Union Investment Real Estate GmbH (“Union Investment”). The consideration is £165.0m, or £148.7m net of top-ups relating to rent free periods and a rent guarantee on the vacant retail space. The building, which is under construction, will comprise 87,150 sq ft offices let to Capita Business Services Limited for £7.4m per annum and three retail units totalling 20,000 sq ft which are currently vacant. The estimated rental value of the three retail units is £960,000. There is a ground rent payable equivalent to 12.5% of gross rents. Completion of the sale is expected in Q4 2017 after the building has been completed.



The Group acquired a 68-year leasehold interest in 25-27 and 29-33 Berners Street W1 in late 2012 for £36.5m. It subsequently regeared its headlease with the freeholder, The Berners-Allsop Estate, incorporating a third property, extending the lease to 127 years and enabling the property's redevelopment. The disposal price represents a 4.2% initial yield to the purchaser and a significant premium to book value, thereby crystallising the development profit.

John Burns, Chief Executive Officer of Derwent London, said:

“The disposal of The Copyright Building to this established international investor endorses the strength of the central London office investment market. Derwent London has over a third of its portfolio in Fitzrovia including its major 80 Charlotte Street development where we recently pre-let 42% of the office space. This transaction takes net sale proceeds to £670m over the past twelve months and, on average, 8% above the previous December book values.”

Martin Schellein, Head of Investment Management Europe of Union Investment, said:

“Fitzrovia is currently one of the most dynamic areas of London’s West End. Once completed, The Copyright Building will be one of the district’s highest-value office complexes and is let on a long-term basis to an office tenant with an excellent credit rating. As a result, this core investment is in line with the defensive strategy for expanding our portfolio in the UK and demonstrates that we are still pursuing attractive investment opportunities in the current market cycle.”

CBRE and Strutt & Parker acted for Derwent London and JLL acted for Union Investment.

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Notes to editors

Union Investment

Union Investment stands for forward-looking real estate investment worldwide. We provide private and institutional property investors with a comprehensive investment platform. Union Investment currently has assets under management totalling around EUR 31.8 billion in its open-ended retail real estate funds and specialised funds excluding service and pooling mandates. We invest in the office, retail, hotel and logistics sectors and hold more than 350 properties across 23 countries in our actively managed portfolio.

Derwent London plc

Derwent London plc owns a portfolio of commercial real estate predominantly in central London valued at £5.0 billion (including joint ventures) as at 31 December 2016, 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 6.0 million sq ft portfolio 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 2017 the Group won the Property Week Developer of the Year award and was listed 12th out of 4,000 in the Corporate Knights Global 100 of the world's most sustainable companies. In 2016 the Group won Estates Gazette National Company of the Year and London awards as well as awards from Architects' Journal, British Council for Offices, Civic Trust and RIBA and achieved EPRA Gold for corporate and sustainability reporting.

As part of its wider sustainability programme, in 2013 Derwent London launched a dedicated £250,000 voluntary Community Fund and, in 2016, made a further commitment of £300,000 for the next three years for Fitzrovia and the Tech Belt.

The Company is a public limited company, which is listed on the London Stock Exchange and incorporated and domiciled in the UK. The address of its registered office is 25 Savile Row, London, W1S 2ER.

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.