

8 January 2013

## Derwent London announces the acquisition of two West End buildings in Fitzrovia W1

Derwent London plc ("Derwent London") completed the acquisition of the long leasehold interests in 25-27 Berners Street and 29-33 Berners Street London W1 from the owner occupier, The MCPS-PRS Alliance Limited, ("PRS for Music") for £35.0m before costs in December 2012. This reflects a capital value of £440 per sq ft (£4,736 per m<sup>2</sup>).



29-33 Berners Street



25-27 Berners Street

Both buildings have eight floors. 25-27 Berners Street comprises  $35,200 \text{ sq ft} (3,270\text{m}^2)$  and 29-33 Berners Street comprises  $44,300 \text{ sq ft} (4,120\text{m}^2)$ , providing a combined total floor area of 79,500 sq ft (7,390m<sup>2</sup>).

The head leases expire in 2080 and together have a fixed annual ground rent of £3,125.

PRS for Music has leased back both properties for a term of three years, subject to a tenant only break option after 18 months, at a rent of  $\pounds$ 1.4m per annum, equating to  $\pounds$ 17.60 per sq ft ( $\pounds$ 190 per m<sup>2</sup>). The buildings provide asset management opportunities upon the tenant vacating, when both buildings will be refurbished to deliver the Group's hallmark design-led, contemporary space.

John Burns, Chief Executive Officer at Derwent London, commented:

"These acquisitions represent excellent additions to our substantial Fitzrovia and North of Oxford Street estates where our ownership extends to 1.6 million sq ft. The properties offer regeneration and redevelopment opportunities in the longer term."

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## Notes to editors

## Derwent London

Derwent London plc is the largest central London focused REIT with an investment portfolio of £2.7bn as at 30 June 2012. The Group is one of London's most innovative office specialist property regenerators and investors and is well known for its design-led philosophy and creative management approach to development.

Derwent London's core strategy is to acquire and own a portfolio of central London property that has reversionary rents and significant opportunities to enhance and extract value through refurbishment, regeneration and redevelopment. The Group owns and manages an investment portfolio of 5.3 million sq ft (490,000m<sup>2</sup>), as at 30 June 2012, of which 96% is located in central London, with a specific focus on the West End and the areas bordering the City of London. Landmark schemes by Derwent London include Angel Building EC1, 8 Fitzroy Street W1, Qube W1, Horseferry House SW1, Johnson Building EC1, Davidson Building WC2 and Tea Building E1.

Derwent London came seventh overall in the 2012 Management Today awards for 'Britain's Most Admired Companies', topping the real estate sector for the third year in a row. Earlier in 2012 the Group won the Estates Gazette Property Company of the Year – Offices award. Also in 2012 the Tea Building won a RIBA regional award and an AJ Retrofit award for the 'Green Tea' refurbishment to improve the environmental performance of the building. Derwent London was also the European listed sector leader for offices in the 2012 GRESB survey.

In 2011, Angel Building was shortlisted for the RIBA Stirling Prize following its RIBA London 2011 award and has also won numerous accolades from organisations such as the British Council for Offices, the British Construction Industry, the American Institute of Architects and New London Architecture.

For further information see <u>www.derwentlondon.com</u> or follow us on Twitter at @derwentlondon.