

3 December 2020

## **Derwent London plc (“Derwent London” / “the Group”) DISPOSAL OF JOHNSON BUILDING**

Derwent London announces that it has exchanged contracts to sell its 192,700 sq ft freehold interest in Johnson Building, 77 Hatton Garden and 5-7 St Cross Street EC1 to Eurazeo Patrimoine, the real assets division of Eurazeo. The headline price is £170m before rental top-ups of £2.4m for incentives and vacant space.

The office and retail complex was acquired in 2000 for £29m, and in 2006 the Group completed a significant refurbishment designed by architects AHMM which increased the lettable area by 53%.

The total rent passing from the multi-let buildings is £7.3m pa with approximately 40% of the income expiring in 2021.

The sale price represents a net initial yield of 4.1% on the passing rent, which will fall to 2.5% allowing for 2021 lease expiries. The disposal price, net of incentives, is 4% below the June 2020 book value before costs. This crystallises an IRR of 10% pa to the Group since acquisition.



**Paul Williams, Chief Executive of Derwent London, said:**

*“The refurbishment of the Johnson Building was one of our first generation of schemes and the sale continues our strategy of disposing of mature assets. The proceeds will be reinvested into new developments with superior growth prospects, such as 19-35 Baker Street W1 which is scheduled to start on site in 2021.”*

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**Notes to editors**

**Derwent London plc**

Derwent London plc owns 83 buildings in a commercial real estate portfolio predominantly in central London valued at £5.4 billion (including joint ventures) as at 30 June 2020, 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.

As part of our commitment to lead the industry in mitigating climate change, in October 2019, Derwent London became the first UK REIT to sign a Green Revolving Credit Facility. At the same time, we also launched our Green Finance Framework and signed the Better Buildings Partnership’s climate change commitment. The Group is a member of the ‘RE100’ which recognises Derwent London as an influential company, committed to 100% renewable power by purchasing renewable energy, a key step in becoming a net zero carbon business. Derwent London is one of only a few property companies worldwide to have science-based carbon targets validated by the Science Based Targets initiative (SBTi).

Landmark schemes in our 5.6 million sq ft portfolio include 80 Charlotte Street W1, Brunel Building W2, White Collar Factory EC1, Angel Building EC1, 1-2 Stephen Street W1, Horseferry House SW1 and Tea Building E1.

In 2020 the Group has won several awards for Brunel Building with the most prominent being the BCO Best Commercial Workplace award. In 2019 the Group won EG Offices Company of the Year, the CoStar West End Deal of the Year for Brunel Building, Westminster Business Council’s Best Achievement in Sustainability award and topped the real estate sector and was placed ninth overall in the Management Today 2019 awards for ‘Britain’s Most Admired Companies’. In 2013 the Company launched a voluntary Community Fund and has to date supported over 100 community projects in the West End 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](http://www.derwentlondon.com) or follow us on Twitter at @derwentlondon

## **About Eurazeo**

Eurazeo is a leading global investment company, with a diversified portfolio of €18.8 billion in assets under management, including €13.3 billion from third parties, invested in over 430 companies. With its considerable private equity, real estate and private debt expertise, Eurazeo accompanies companies of all sizes, supporting their development through the commitment of its nearly 300 professionals and by offering in-depth sector expertise, a gateway to global markets, and a responsible and stable foothold for transformational growth. Its solid institutional and family shareholder base, robust financial structure free of structural debt, and flexible investment horizon enable Eurazeo to support its companies over the long term.

Eurazeo has offices in Paris, New York, Sao Paulo, Seoul, Shanghai, Singapore, London, Luxembourg, Frankfurt, Berlin and Madrid.

Eurazeo is listed on Euronext Paris.

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## **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.