

25 April 2024

Derwent London plc (“Derwent London” / “the Group”) Sale of Turnmill EC1

Derwent London announces that it has exchanged contracts to sell its 70,300 sq ft freehold interest in Turnmill EC1 for £77.35m (before costs). The purchaser is the UK investment manager Titan Investors.



The redevelopment of this architecturally striking building in the heart of Clerkenwell completed in 2015 and it is let to Publicis Groupe, at a passing rent of £4.0m, on a lease expiring in 2035, with a tenant break in 2033. The disposal price reflects a net initial yield to the purchaser of 4.9% with a rent review in 2025, a capital value of £1,100 psf and is at a small premium to the December 2023 book value.

Paul Williams, Chief Executive of Derwent London, said:

“This disposal crystallises an attractive 9.1% IRR for the Group as the London office investment market reopens. Proceeds will be recycled into our two exciting on-site net zero carbon West End developments, 25 Baker Street W1 and Network W1, which together total 437,000 sq ft, while enhancing our financial capacity as opportunities are beginning to emerge.”

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Notes to editors

Derwent London plc

Derwent London plc owns 66 buildings in a commercial real estate portfolio predominantly in central London valued at £4.9 billion as at 31 December 2023, making it the largest London office-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, Derwent London has committed to becoming a net zero carbon business by 2030, publishing its pathway to achieving this goal in July 2020. In 2019 the Group became the first UK REIT to sign a Revolving Credit Facility with a 'green' tranche. 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 the property companies worldwide to have science-based carbon targets validated by the Science Based Targets initiative (SBTi).

Landmark buildings in our 5.4 million sq ft portfolio include 1 Soho Place W1, 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 January 2022 we were proud to announce that we had achieved the National Equality Standard – the UK's highest benchmark for equality, diversity and inclusion. In May 2023 we were recognised on the Sunday Times Best Places to Work List 2023 within the medium-sized organisation category and in the following month we won two OAS awards – West End New Build for Soho Place W1 and Developer of the Year whilst we were also highly commended for The Featherstone Building in the City New Build category. In October 2023, White Collar Factory EC1 won the BCO's Test of Time 2023 award, Soho Place W1 won the British Construction Industry Awards' Best Commercial Property Project of the Year and Derwent London was awarded the EG Employer Award. In March 2023 we placed in the top three of the Property Sector in Management Today's Britain's Most Admired Companies awards 2022. In October 2022, 80 Charlotte Street won the BCO's Best National Commercial Workplace award 2022. In 2013 the Company launched a voluntary Community Fund which has to date supported over 160 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 or follow us on X (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.