OUR BUSINESS MODEL

We apply our asset management and regeneration skills to the Group’s 5.4m sq ft property portfolio using our people, relationships and financial resources to add value and grow income while benefitting the communities in which we operate and the wider environment beyond.

Driven by

Our purpose
To help improve and upgrade the stock of office space in central London, providing above average long-term returns to our shareholders while bringing social and economic benefits to all our stakeholders.

By promoting values that include building long-term relationships and setting an open and progressive corporate culture, our design-led ethos has created a brand of well-designed, flexible and efficient buildings at affordable rents.

Our assets and resources
Properties
Financial resources
People and relationships

The world we live in
The London office market and its wider context

How we add value

Our core activities

1. Asset management
Understanding our occupiers helps us tailor buildings and leases to their needs thereby growing our income streams and adding value.

2. Development and refurbishment
Our focus on design, innovation and value-for-money creates sustainable and flexible buildings characterised by generous volumes, good natural light and amenities.

3. Investment activity
We are recyclers of capital, acquiring properties with future regeneration opportunities to build a pipeline of projects and disposing of those with limited future potential.

4. To design, deliver and operate our buildings responsibly

5. To maintain strong and flexible financing

Driven by our five strategic objectives

- To optimise returns and create value from a balanced portfolio
- To grow recurring earnings and cash flow
- To attract, retain and develop talented employees
- To design, deliver and operate our buildings responsibly
- To maintain strong and flexible financing

Outcomes

427,100 sq ft
New lettings in 2018, at a rent of £26.8m pa

£187.5m
Capital expenditure in 2018 and over £1bn in past 10 years

+10.4%
Average annual ordinary dividend growth over 10 years

+13.4%
Average annual total return over 10 years

£564,000
Invested to date in local initiatives by our Community Fund

Measured via our KPIs

1. 2. 3. 4. 5.

DISTINCTIVELY DERWENT

- Investing in emerging locations
- Focus on middle-market rents
- Strong balance sheet

- Experienced and collaborative team
- Proactive occupier relationships
- Design focus and innovation

OUR VALUES

- Reputation, integrity and good governance
- Building long-term relationships and trust
- Focus on creative design and embracing change
- Openness and transparency
- Sustainability and responsibility

OUR CULTURE

- Hard-working and adaptable
- A passion to improve London’s office spaces
- Progressive and pragmatic
- ‘Open door’ and inclusive
- Collaborative and supportive

The views of our stakeholders
Understanding their key issues through effective engagement

Impacted by

The world we live in
Office space for today’s businesses
Delivering above average long-term returns
Investing in neighbourhoods and communities

20 Derwent London plc Report & Accounts 2018

Strategic report