2019 SUMMARY

The Group had another year of strong operational performance, significantly outperforming its property return benchmark while also progressing with a refreshed responsibility policy and strategy.

OPERATING HIGHLIGHTS

- New lettings of £34.0m, 6.9% above ERV
- Brunel Building showed 60% profit on cost
- 790,000 sq ft on-site development programme, 72% pre-let
- Rent reviews and renewals on 545,000 sq ft, raising existing rents 24.1%
- Gross proceeds of £181.7m from four property disposals
- Total property return 7.4% vs MSCI IPD benchmark of 4.1%
- EPRA vacancy rate fell to 0.8%
- Repurchased £150m convertible bonds 2019 with concurrent issue of £175m convertible bonds 2025
- Extended the £450m revolving credit facility including an innovative £300m ‘green’ tranche

STAKEHOLDERS AND RESPONSIBILITY

- Net zero carbon target brought forward to 2030 from 2050
- 10% reduction in like-for-like carbon intensity
- Signed the Better Building Partnership’s climate change commitment
- Staff survey reported 92.5% satisfaction
- Average supplier payment terms 25 days
REASONS TO INVEST

London – an attractive and established global office centre
With employment rising, London’s vacancy rates have fallen. In addition, investment yields are relatively attractive compared to most major European markets

6.1m
Jobs in London

Experienced and collaborative team
The Group has established a brand through regeneration projects with a focus on innovative design and occupier needs

1.7m sq ft
Project pipeline

Derwent London’s product is in demand
Pre-lettings at our 790,000 sq ft under development will contribute £40.9m to rental income and our EPRA vacancy rate is only 0.8%

72%
Proportion of on-site developments pre-let

Growing earnings and dividends
Strong asset and financial management help ensure balanced capital and income growth, supporting a progressive dividend policy

10.4%
Annual compound dividend growth since 2009

Strong balance sheet
A policy of low financial leverage and active financial management gives the Group resources to deliver its current projects as well as take on new opportunities

16.9%
Loan-to-value ratio

A responsible business
The Group behaves responsibly with all its stakeholders and in 2020 set a target to be net zero carbon by 2030

44%
Reduction in carbon intensity since 2013