



STRATEGY IN ACTION

FARRINGTON

50 Farringdon Road is a 31,000 sq ft office building located in the heart of EC1 adjacent to Farringdon Crossrail station.

STRATEGY IN ACTION

SWANSEA

Parc Tawe North comprises eight units of a combined 116,700 sq ft retail warehouse park. The property is located on the edge of the city centre in an established retail area.

-  Industrial
-  Office
-  Retail

WORKING WITH OUR OCCUPIERS

Working with our occupiers is fundamental to what we do and assists us in identifying asset management opportunities, especially when occupiers need to expand and contract. Knowing what our occupiers’ business needs are allows us to work with them to restructure leases, increase lease lengths, and potentially enhance rents by, for example, surrendering leases where the passing rent is below the market level.

LONDON



At 50 Farringdon Road, we engaged with our largest occupier who occupied a 7,800 sq ft suite on a lease with a break in December 2021. They required additional space to facilitate business expansion and we agreed to upsize them by 50% into the final available suite in the building, resulting in their occupation of the entire first floor.

We entered into a coterminous lease of the new suite, generating income of £0.2 million per annum, 5% ahead of ERV and, at the same time, we varied their existing lease securing five-year income on the whole floor.

This transaction was a good example of our ‘rightsizing’ promise in action and the building is now fully leased.

CENTRAL LONDON OFFICE

NUMBER OF OCCUPIERS

5

SQUARE FEET

31,000

SWANSEA

Homebase, which entered into a Company Voluntary Arrangement (CVA) in August 2018, had proposed to reduce the passing rent on their unit by 90%. Recognising that better terms could be agreed elsewhere, we chose to serve notice to secure vacant possession of the unit. At the same time, we negotiated the release of a restrictive covenant to allow additional food retailing on the park.

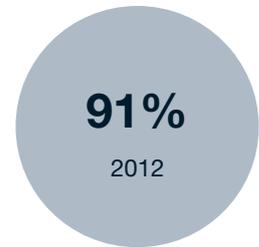
Working with another one of our occupiers, Lidl, who occupied a 10,000 sq ft unit on a lease expiring in 2023, we entered into an agreement whereby Lidl agreed to take the entire 35,500 sq ft previously occupied by Homebase. Following enabling works by us, Lidl will take a 20-year lease, with a break after 15 years, at an annual rent of £0.4 million, in line with ERV. The lease is subject to five yearly RPI based rent reviews capped at 2% per annum.

Having secured an anchor occupier for the largest unit on the park, we are pursuing the second stage of our strategy by improving the external areas and focusing on letting the remaining space.

Through this approach we have significantly mitigated the negative impact of the Homebase CVA.



Occupancy



WELSH RETAIL WAREHOUSE PARK

NUMBER OF OCCUPIERS

6

SQUARE FEET

116,700