



Landsec

Press release

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Landsec's Central London business continues to see strong customer demand

Landsec will host a Capital Markets Event for analysts and investors this afternoon at its London office developments, Lucent at Piccadilly Circus and n2 in Victoria, which completed earlier this summer. This will include an update focused on the operational performance of its Central London business.

Since the end of March, customer demand for Landsec's best-in-class office space in London has remained strong. As a result, over the first five months of the financial year, occupancy in the company's Central London portfolio increased by 100bps to 96.9%, with £17m of lettings signed or in solicitors' hands, on average 3% ahead of ERV.

In Victoria, which makes up nearly half of Landsec's Central London business, the company's existing office portfolio is now 100% let. In addition, its recently completed development at n2 is now 80% let with the remaining 20% in solicitors' hands (up from 66% let and 6% in solicitors' hands in May) whilst Lucent is 62% let with a further 14% or in solicitors' hands (up from 19% and 53% in May). Reflecting the strong demand, rents across both schemes are more than 10% ahead of initial assumptions.

With rents continuing to grow and its entire office estate in Victoria 100% full, Landsec has now committed to the start of Thirty High (formerly Portland House), which is expected to complete in the summer of 2025. The total development cost for this major refurbishment is estimated to be c. £400m, with a gross yield on cost of c. 7.5% and a gross yield on the c. £240m capex investment of over 12%.

Mark Allan, Chief Executive, commented:

“Over the past year, we have been decisive in positioning the business for a higher for longer interest rate environment. Our disposal of £2.2bn of mature, mostly single-let offices, predominantly in the City, before the start of this financial year has proven very timely. As such, we have flexibility to respond to the opportunities that will start to arise from the adjustment to a higher rate reality, as it remains clear that customer demand for the most sustainable, high-quality space in the best locations remains resilient.”

Ends



About Landsec

At Landsec, we build and invest in buildings, spaces and partnerships to create sustainable places, connect communities and realise potential. We are one of the largest real estate companies in Europe, with a £10.2 billion portfolio of retail, leisure, workspace and residential hubs. Landsec is shaping a better future by leading our industry on environmental and social sustainability while delivering value for our shareholders, great experiences for our guests and positive change for our communities.

Find out more at landsec.com

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