

GPE sells 50 Finsbury Square, EC2 for £190.0 million

3 years ago



[Great Portland Estates plc \(GPE\)](#) has exchanged contracts on the sale of the freehold of 50 Finsbury Square, EC2 to a wholly owned subsidiary of Wirtgen Invest Holding GmbH, a private German family office.

The headline price of £190.0 million (subject to adjustment for final building area and retail leasing) reflects a topped up net initial yield of 3.85% and capital value of £1,471 per sq ft (or £1,690 per sq ft on expiry of rent frees) and is broadly in line with the March 2022 book value after adjusting for estimated capex to complete.

GPE will retain responsibility for delivering the development with completion of the sale expected in Q1 2023 following practical completion and commencement of the leases of the office and retail space. Net proceeds will be initially used to pay down the Group's revolving credit facility and will reduce the company's loan to value from 22.2% to 16.8% based on a pro-forma June 2022 balance sheet (based on March 2022 property values).

Originally a Fosters & Partners designed building, 50 Finsbury Square is undergoing a comprehensive refurbishment with practical completion scheduled for Q4 2022. Sustainability and wellbeing have been at the heart of the refurbishment and, when complete, the building will be BREEAM 'Excellent' and GPE's first Net Zero Carbon development.

The building will provide c.121,800 sq ft of offices arranged over lower ground, ground and seven upper floors together with a terrace on the 6th floor and a further pavilion and extensive roof terrace on the 8th floor overlooking Finsbury Square. The retail element of the property consists of four units fronting Finsbury Pavement (7,400 sq ft).

The entirety of the office space has been pre-let to telecommunications company Inmarsat Global Limited and two of the retail units have been pre-let and the other remaining two units are under offer. Once fully let, the rent on completion will be c.£9.0 million per annum (subject to final area measurement on practical completion).

Toby Courtauld, Chief Executive, said: "In 50 Finsbury Square, we have created an exceptional home for Inmarsat, not least given the sustainability credentials our refurbishment will deliver. The sale is consistent with our strategy of recycling capital out of mature assets to be utilised in our many other development opportunities."

Image: GPE