



## Press release

**Title** Landsec sells One New Street Square for £349.5m  
**From** Landsec  
**Date** 27th January 2023

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Landsec announces that it has exchanged contracts for and completed on the sale of One New Street Square, EC4 to Chinachem Group, a property developer based in Hong Kong with a real estate portfolio of 8.4m sq ft valued at US\$13.7bn.

The total consideration for the sale amounts to £349.5m. The sale price compares to a September 2022 valuation of £362.8m and crystallises a total return on capital averaging 10% per annum since Landsec's acquisition of the site in June 2005 and subsequent redevelopment in 2016.

One New Street Square is fully let to Deloitte, with a 14-year unexpired lease term remaining and a current annual net rent of £16.8m. With limited opportunities to add further value, the disposal is in line with Landsec's strategy to recycle capital out of mature London offices.

With its strategic review in late 2020, Landsec announced its intention to sell c. £2.5bn of mature London offices over the medium term. With the inclusion of 1 New Street Square, the company has now sold £2.1bn of offices, representing an average yield of 4.4%.

The disposal proceeds will initially be used to repay debt and, on a pro-forma basis, would reduce Landsec's LTV from 31.1% to 28.9% based on September 2022 valuations. Its strong balance sheet provides Landsec with significant optionality for future reinvestment in higher-return opportunities which are expected to emerge as markets continue to adjust to a new reality.

**Marcus Geddes, Managing Director, Central London at Landsec said:** "One New Street Square is a premium 276,502 sq ft London BREEAM 'Outstanding' office development, which was completed in 2016 and fully let to Deloitte during construction on a 20-year lease. This represents a clear demonstration of our strategy in action and our strong customer relationships. Through this sale we have been able to unlock capital at a rate that has provided strong returns over our 18 years of ownership. Crystallising these returns enables us to turn towards future opportunities and future growth through balance sheet strength and flexibility."

**Donald Choi, Executive Director and CEO of Chinachem Group, said:** "We're delighted to have acquired One New Street Square successfully as it is located in the strategic Central London area with best-in-class building specifications and attractive



returns. This is an important step forward for the Group and we intend to hold this property for long-term investment."

He added: "While Hong Kong will remain our home and core market, we intend to incrementally increase the Group's exposure in gateway cities of major developed markets, so as to fulfil our business diversification objectives and build a resilient, long-term income stream."

Knight Frank advised Landsec, and Savills advised Chinachem Group.

**Ends**

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### **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 £11 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](http://landsec.com)

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### **About Chinachem Group**

Since 1960, Chinachem Group has been a leading property developer in Hong Kong, with a portfolio covering residential, commercial, retail and industrial buildings for sales and investment, in addition to operating hotels, property management as well as healthcare and elderly services. The Group actively seeks to make a positive contribution to society through its adherence to the "Triple Bottom Line", a commitment that its activities will benefit People, bring Prosperity to the community and preserve the Planet. Please visit [www.chinachemgroup.com/en](http://www.chinachemgroup.com/en)