

## **BRITISH LAND AND ROYAL LONDON ASSET MANAGEMENT ANNOUNCE JOINT VENTURE TO DELIVER WORLD CLASS SCIENCE AND INNOVATION BUILDING AT 1 TRITON SQUARE**

British Land and Royal London Asset Management Property ('Royal London Asset Management') announce the formation of a new 50:50 joint venture ('JV') to accelerate the delivery of 1 Triton Square into a best in class science and innovation building at Regent's Place. The agreement values 1 Triton Square at £385m.

The new JV will combine British Land and Royal London Asset Management's development and asset management capabilities to deliver a world class science and innovation building. The design is highly flexible, offering a mix of fitted and lab-enabled space as well as the potential to incorporate serviced offices to accommodate flexible requirements at the lower levels, whilst retaining best in class office space on upper floors.

1 Triton Square is located in the heart of the Regent's Place campus within London's Knowledge Quarter, which is home to leading research institutions including The Francis Crick Institute, The Wellcome Trust, The Alan Turing Institute and University College London. The campus' location within this well-established innovation ecosystem makes it well positioned to capture the growing space requirements from these businesses.

The transaction delivers against one of British Land's key strategic priorities to actively recycle capital, with proceeds being reinvested into future developments. The establishment of this JV partnership accelerates and enhances returns.

The JV marks an important milestone for Royal London Asset Management's property team as it builds on its existing life sciences and innovation platform across the Golden Triangle of London, Cambridge and Oxford.

Royal London Asset Management is committed to responsible property investment across its portfolio. The strategy to reposition the existing asset at 1 Triton Square into a high-performing innovation centre aligns with this approach and reinforces the team's core strategic objectives to maximise value and deliver long-term, sustainable solutions to meet evolving occupier needs.

**Simon Carter, Chief Executive of British Land**, said: "We are delighted to be working with Royal London Asset Management to deliver a world class science and innovation building at Regent's Place.

We proactively took 1 Triton Square back from Meta to reposition it for science and innovation customers, with the expectation of unlocking significantly higher rents, whilst benefitting from a considerable surrender premium to further improve the economics.

This transaction is another example of how we drive value through establishing innovative JV partnerships, enabling us to flex our balance sheet, share the risk and crystallise the value created from Meta's surrender premium."

**Mark Evans, Head of Property and Commercial Development at Royal London Asset Management Property**, said: "We are thrilled to join forces with British Land to reposition 1 Triton Square for the science and innovation market. The partnership opportunity aligns with our wider

strategy to leverage our platforms in new markets and continue to deliver on our commitment to purposeful investment.

We have long recognised the demand for best-in-class science and innovation space, particularly in the Golden Triangle, and the need for this space in supporting the UK's economic growth. In testament to this strategic vision Royal London Asset Management has established 1.5m sq ft of holdings to meet these needs over the past 10 years. 1 Triton Square will increase our holdings to over 2.0m sq ft and will form a core part of our wider portfolio as we position life sciences and innovation as a core platform for further investment."

### **Financial effects for British Land**

British Land will receive gross proceeds of £192.5m from the sale of a 50% share in addition to £149m surrender premium already received from Meta. The combined impact of the surrender premium, JV formation and subsequent fit-out and leasing is expected to deliver a 30%+ IRR. The 50% disposal will result initially in a c.2p increase in NTA per share and due to the pay down of debt and the related interest saving increases FY25 EPS by c.1p. The transaction reduces LTV by 1.4%, largely mitigating development capex incurred across the business in H2 FY24 on our 1.9m sq ft committed programme.

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### **About British Land**

Our portfolio of high quality UK commercial property is focused on London Campuses and Retail & London Urban Logistics assets throughout the UK. We own or manage a portfolio valued at £12.7bn (British Land share: £8.7bn) as at 30 September 2023 making us one of Europe's largest listed real estate investment companies.

We create Places People Prefer, delivering the best, most sustainable places for our customers and communities. Our strategy is to leverage our best in class platform and proven expertise in development, repositioning and active management, investing behind two key themes: Campuses and Retail & London Urban Logistics.

Our three campuses at Broadgate, Paddington Central and Regent's Place are dynamic neighbourhoods, attracting growth customers and sectors, and offering some of the best connected, highest quality and most sustainable space in London. We are delivering our fourth Campus at

Canada Water, where we have planning consent to deliver 5m sq ft of residential, commercial, retail and community space over 53 acres. Our Campuses account for 62% of our portfolio.

Retail & London Urban Logistics accounts for 38% of the portfolio and is focused on retail parks which are aligned to the growth of convenience, online and last mile fulfilment. We are complementing this with urban logistics primarily in London, focused on development led opportunities.

Sustainability is embedded throughout our business. Our approach is focused on three key pillars where British Land can create the most benefit: Greener Spaces, making our whole portfolio net zero carbon by 2030, Thriving Places, partnering to grow social value and wellbeing in the communities where we operate and Responsible Choices, advocating responsible business practices across British Land and throughout our supply chain, and maintaining robust governance structures. Further details can be found on the British Land website at [www.britishland.com](http://www.britishland.com).

### **About Royal London Asset Management Property**

Royal London Asset Management Property is a key player in the UK commercial property market, operating across six key sectors: offices, retail, industrial and logistics, residential, healthcare and alternatives.

The team is part of Royal London Asset Management, one of the UK's leading fund management companies, providing investment management solutions to both wholesale and institutional clients such as not-for-profit organisations, local authorities and the insurance sector.

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