

Appendix 1

The macro-economic backdrop remained volatile throughout the year, with elevated interest rates and inflation persistently above forecasts. Despite this, property yields remained broadly stable, supported by strong occupational markets and rising rents. However, geopolitical events introduced uncertainty and dampened investment activity. Although the UK GDP outlook is marginally positive and inflation is easing, significant macro-economic risks remain, and volatility is likely to continue until there is greater clarity on global trade arrangements and interest rates continue on their downward trajectory.

Macro-economic backdrop

- IMF global GDP growth downgraded to 2.8% and 3.0% in 2025 and 2026 respectively given impact of tariffs on world trade.
- UK forecasts reduced; 1.0% GDP growth in 2025, or 1.1% p.a. over the next three years, but London expected to outperform the UK as whole (Oxford Economics).
- Consumer confidence weakened to lowest level since November 2023 (Trading Economics).
- Deloitte CFO survey: sentiment among UK CFOs reduced with businesses assuming their most defensive strategy stance since 2020 amid uncertainty over trade policy.
- UK composite PMI surveys indicate expansion at 51.5 at March 2025; London leads the UK at 54.9 (Natwest).
- Inflationary risks abating; UK CPI 2.6% in March 2025, anticipated to reduce over the remainder of the year.

Occupational markets¹

- Occupational market active; central London take-up 11.5 million sq ft in year, up 6.0% on prior year.
- Central London active demand 12.6 million sq ft, up 2.4% year-on-year (JLL).
- Availability remains elevated at 23.0 million sq ft, down 1.4 million sq ft on 31 March 2024 and remains 26.2% ahead of the ten-year average.
- Space under offer 3.4 million sq ft, down from 3.9 million sq ft at 31 March 2024 and broadly in line with the ten-year average of 3.5 million sq ft.
- Central London vacancy rate 8.1% at 31 March 2025; down from 8.3% last year; newly completed vacancy rate at 1.4% (JLL).
- Supply remains tight; 46% of all space under construction already pre-let.
- Rents for prime spaces +10.8% (West End) are expected to significantly outperform Grade B rents +2.3% (Central London) between 31 December 2025 and 2028 (Savills).



The West End

- Office take-up 3.7 million sq ft, up 10.9% on preceding year.
- Availability 6.7 million sq ft, up 9.2%.
- Vacancy 5.1%, up from 4.4% at 31 March 2024; vacancy of newly completed space only 1.6% (JLL).
- Prime office rental values £170 per sq ft at 31 March 2024, up 9.7% in year.
- Retail vacancy compressed; Central London prime retail zone A rents grew by c.7% in year.



The City

- Office take-up 5.9 million sq ft, up 3.3% on preceding year.
- Availability 8.6 million sq ft, down 14.8% in year.
- Vacancy 9.9%, down from 11.5% at 31 March 2024; vacancy of newly completed space only 1.1% (JLL).
- Prime office rental values £84 per sq ft, up 9.1% in year.
- City space under offer 1.5 million sq ft, down from 2.1 million sq ft at 31 March 2024.

Investment markets¹

- Investment markets quiet given broader macroeconomic uncertainty.
- Office investment deals £4.9 billion in 2024, down from £5.2 billion in 2023.
- Turnover in Q1 2025 increased to £2.4 billion, up 48.9% on previous quarter.
- We estimate that £4.4 billion of real estate is currently on the market to buy versus £21.4 billion of equity demand looking to invest.
- Prime yields stabilised; CBRE reports prime yields unchanged at 4.0% and 5.75% for the West End and City respectively.
- Prime retail yields: 4.25% Regent Street, 4.50% Oxford Street both stable and Bond Street softened by 25 bps to 2.75%.

Near-term outlook

We actively monitor numerous lead indicators to help identify key trends in our marketplace. Over the last year, our property capital value indicators have improved, along with a more optimistic outlook for interest rates. However, risks remain, including the continued macro-economic uncertainty and ongoing geopolitical tensions.

Today we expect the flight to quality to continue, with investment demand to support prime yields in the near term, with potential compression on smaller lot size properties as rents grow and interest rates settle. In the occupational market, given a strong leasing and rental performance of the portfolio, our rental value growth range for the financial year to 31 March 2026 is positive at between 4.0% and 7.0%, predominantly driven by the positive expected performance of our office portfolio.

1. To 31 March 2025 and sourced from CBRE unless otherwise stated.

Appendix 1 continued

Selected lead indicators

Drivers of rents ¹	May 2024	May 2025
GDP/GVA growth	●	●
Business investment	●	●
Confidence	●	●
Employment growth	●	●
Active demand/take-up	●	●
Vacancy rates	●	●
Development completions	●	●
Drivers of yields		
Rental growth	●	●
Weight of money	●	●
Gilts	●	●
BBB Bonds	●	●
Exchange rates	●	●
Political risk	●	●

1. Offices.

Appendix 2

Portfolio performance

		Wholly-owned £m	Joint ventures ¹ £m	Total £m	Proportion of portfolio %	Valuation movement %
North of Oxford Street	Office	733.7	–	733.7	25.6	3.4
	Retail	160.4	41.0	201.4	7.0	4.0
	Residential	3.6	–	3.6	0.1	(8.5)
Rest of West End	Office	364.7	251.1	615.8	21.5	8.5
	Retail	147.9	111.3	259.2	9.0	(1.8)
	Residential	0.7	–	0.7	–	(4.0)
Total West End		1,411.0	403.4	1,814.4	63.2	4.4
City, Midtown and Southwark	Office	402.3	97.4	499.7	17.4	2.9
	Retail	8.0	–	8.0	0.3	1.4
	Residential	–	–	–	–	–
Total City, Midtown and Southwark		410.3	97.4	507.7	17.7	2.8
Investment property portfolio		1,821.3	500.8	2,322.1	80.9	4.0
Development property		372.9	–	372.9	13.0	1.2
Total properties held throughout the period		2,194.2	500.8	2,695.0	93.9	3.6
Acquisitions		174.3	–	174.3	6.1	0.9
Portfolio valuation		2,368.5	500.8	2,869.3	100	3.4

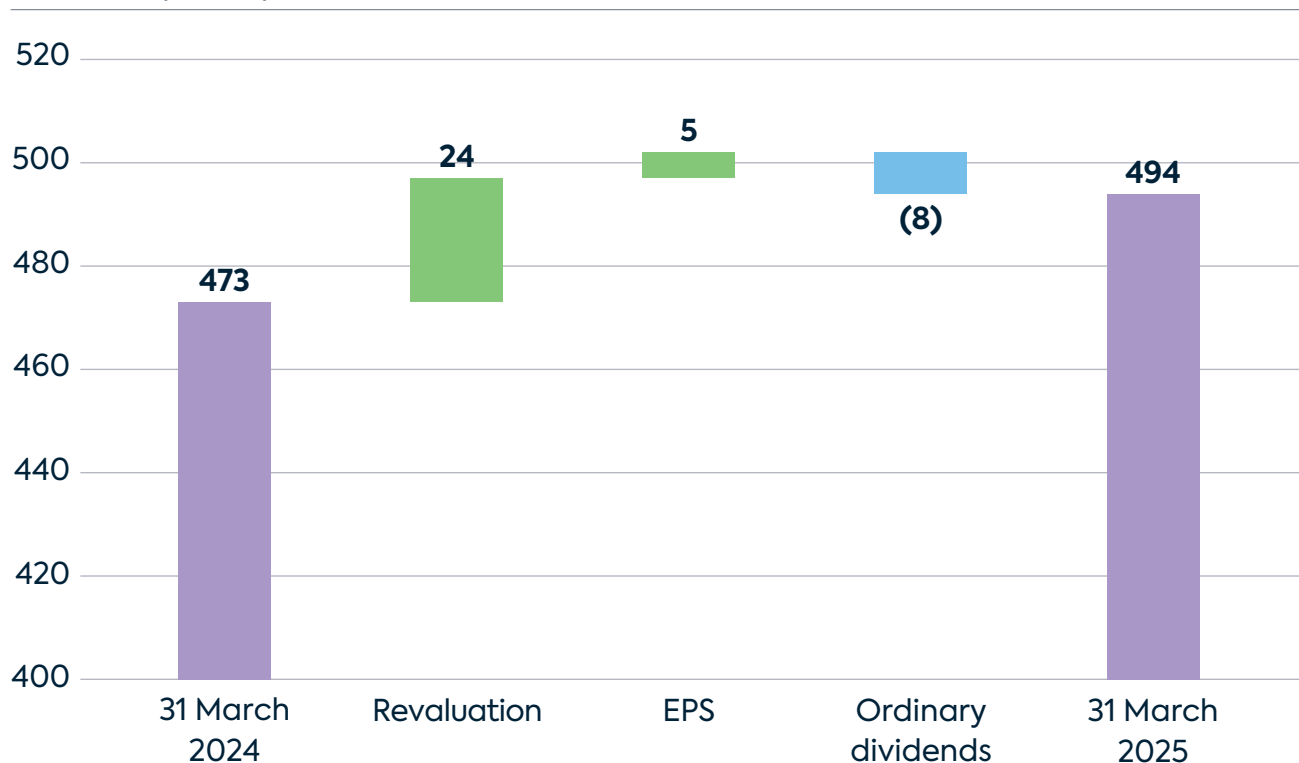
1. GPE share.

Portfolio characteristics

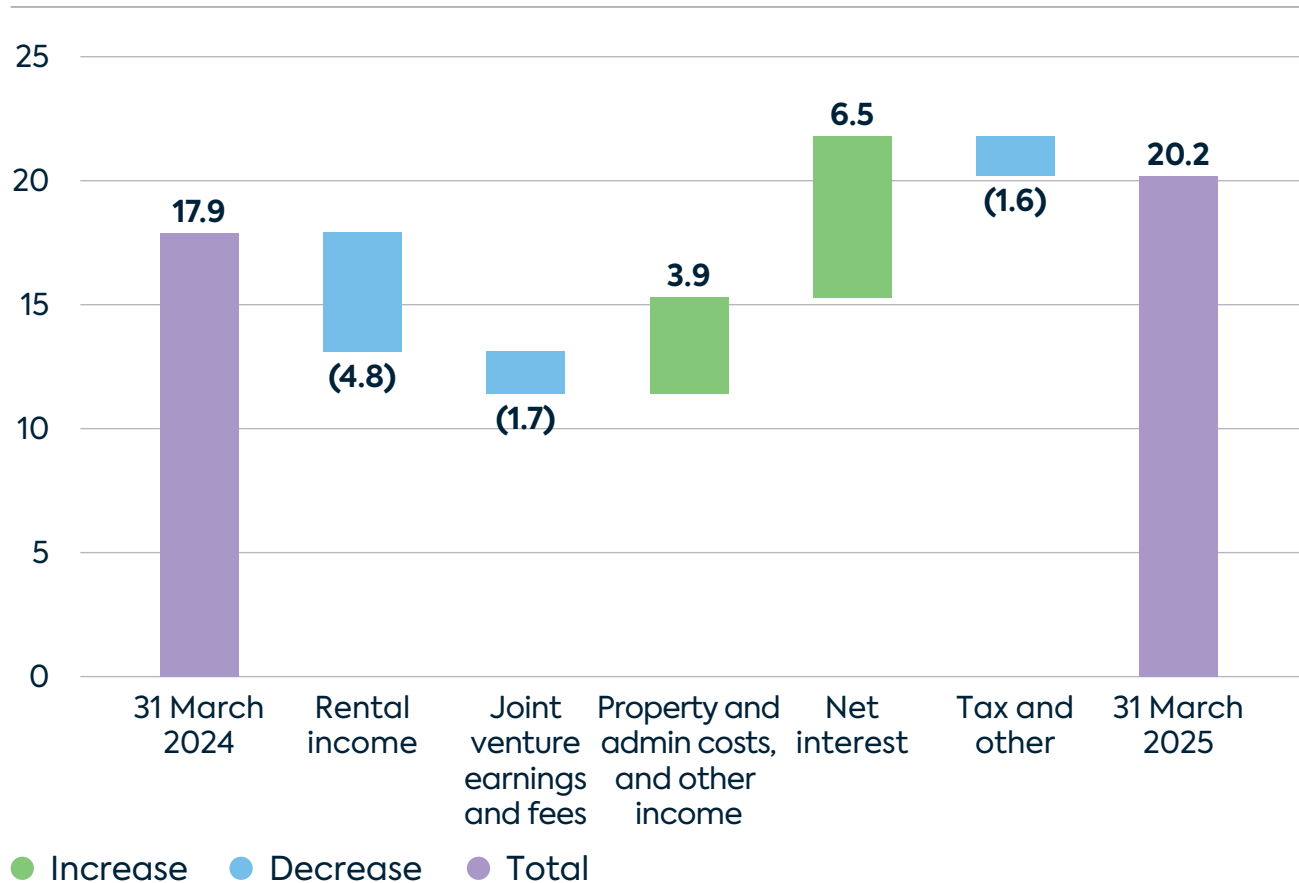
		Investment properties £m	Development properties £m	Total property portfolio £m	Office £m	Retail £m	Residential £m	Total £m	Net internal area sq ft 000s
North of Oxford Street		1,113.0	–	1,113.0	892.6	216.8	3.6	1,113.0	952
Rest of West End		875.7	78.4	954.1	687.8	265.6	0.7	954.1	655
Total West End		1,988.7	78.4	2,067.1	1,580.4	482.4	4.3	2,067.1	1,607
City, Midtown and Southwark		507.7	294.5	802.2	790.5	9.2	2.5	802.2	1,317
Total		2,496.4	372.9	2,869.3	2,370.9	491.6	6.8	2,869.3	2,924
By use:	Office	2,008.0	362.9	2,370.9					
	Retail	484.1	7.5	491.6					
	Residential	4.3	2.5	6.8					
Total		2,496.4	372.9	2,869.3					
Net internal area sq ft 000s		2,387	537	2,924					

Appendix 3

EPRA NTA pence per share



EPRA earnings £m



Appendix 3 continued

Debt analysis

	March 2025	March 2024
Net debt excluding JVs (£m) ¹	835.7	738.0
Net gearing	41.9%	46.8%
Total net debt including 50% JV cash balances (£m) ¹	820.9	713.5
EPRA LTV	30.8%	32.6%
Interest cover	10.9x	3.7x
Weighted average interest rate	4.7%	4.3%
Weighted average cost of debt	5.2%	4.1%
% of drawn debt fixed/hedged	85%	87%
Cash and undrawn facilities (£m)	376.0	633.4

1. Excludes customer deposits.

Appendix 4

Rental income

			Wholly-owned			Share of joint ventures			
			Rent roll £m	Reversionary potential £m	Rental values £m	Rent roll £m	Reversionary potential £m	Rental values £m	Total rental values £m
London	North of Oxford Street	Office	40.7	5.2	45.9	–	–	–	45.9
		Retail	8.7	1.1	9.8	3.0	0.1	3.1	12.9
	Rest of West End	Office	16.0	2.8	18.8	9.7	2.5	12.2	31.0
		Retail	8.2	0.1	8.3	5.4	0.3	5.7	14.0
Total West End			73.6	9.2	82.8	18.1	2.9	21.0	103.8
	City, Midtown and Southwark	Office	23.7	2.2	25.9	4.8	0.1	4.9	30.8
		Retail	3.0	(0.8)	2.2	–	–	–	2.2
Total City, Midtown and Southwark			26.7	1.4	28.1	4.8	0.1	4.9	33.0
Total let portfolio			100.3	10.6	110.9	22.9	3.0	25.9	136.8
Voids (A)					14.9			0.1	15.0
Premises under refurbishment and development					95.9			6.0	101.9
Total portfolio (B)					221.7			32.0	253.7
Vacancy rate % (A/B)					6.7			0.4	5.9

EPRA vacancy

			Wholly-owned £m	Joint ventures £m	Total £m
Voids and premises under refurbishment excluding development (A)			60.7	6.1	66.8
Total portfolio			221.7	32.0	253.7
Less: premises under development			(50.1)	–	(50.1)
Total (B)			171.6	32.0	203.6
EPRA vacancy rate % (A/B)			35.4	19.1	32.8

Rent roll security, lease lengths and voids

			Wholly-owned			Joint ventures		
			Rent roll secure for five years %	Weighted average lease length Years	Void %	Rent roll secure for five years %	Weighted average lease length Years	Void %
London	North of Oxford Street	Office	27.5	3.8	6.0	–	–	–
		Retail	36.5	4.3	2.2	52.5	6.9	–
	Rest of West End	Office	1.2	1.3	4.4	89.1	10.3	–
		Retail	28.5	4.8	–	21.5	4.1	–
Total West End			22.9	3.5	4.8	63.0	7.9	–
	City, Midtown and Southwark	Office	9.0	1.9	10.3	–	3.0	1.3
		Retail	10.5	1.1	–	–	–	–
Total City, Midtown and Southwark			9.2	1.8	10.3	–	3.0	1.3
Total portfolio			19.3	3.0	6.7	49.5	6.8	0.4

Rental values and yields

			Wholly-owned		Joint ventures		Wholly-owned		Joint ventures	
			Average rent £psf	Average ERV £psf	Average rent £psf	Average ERV £psf	Initial yield %	True equivalent yield %	Initial yield %	True equivalent yield %
London	North of Oxford Street	Office	98	117	—	—	3.0	5.6	—	—
		Retail	66	67	79	84	4.4	5.3	(1.4)	5.7
	Rest of West End	Office	130	162	116	146	2.5	5.2	3.7	4.7
		Retail	105	109	111	118	3.5	4.9	4.1	4.3
Total West End			99	116	106	118	3.1	5.4	3.3	4.7
	City, Midtown and Southwark	Office	77	89	52	61	3.6	5.8	2.3	6.2
		Retail	43	30	—	—	3.9	5.6	—	—
Total City, Midtown and Southwark			71	80	52	61	3.6	5.8	2.3	6.2
Total portfolio			89	100	87	91	3.2	5.5	3.1	5.1