

3 December 2024

## **Derwent London plc** (“Derwent London” / “the Group”) **Acquisition of remaining 50% in 50 Baker Street W1 scheme**

Derwent London is pleased to announce that it has acquired the remaining 50% stake in its proposed 50 Baker Street W1 scheme from Lazari Investments, its joint venture partner, for £44.4m (£370 psf on consented floor area). This reflects a 4.2% net initial yield at the current passing income of £2.0m pa (based on 50%). Resolution to grant planning consent for a c.240,000 sq ft office-led scheme, which is nearly double the existing floor area, was received in August 2024. Detailed design work is underway.



*Proposed scheme (comprises the existing properties at 38-52, 54-60, 64 and 66-70 Baker Street)*

The decision to acquire full control of 50 Baker Street was taken following the pre-letting success at our adjacent 25 Baker Street W1 project and reflects our ongoing confidence in the strength of the West End occupational market. Good progress is being made on a regear of the headleases with The Portman Estate, our freeholder and the owner of 64 Baker Street, to facilitate delivery of this exciting project. This follows our previous regear in 2021 with The Portman Estate at 25 Baker Street. We expect the scheme to deliver an attractive return in line with our current on-site projects.

**Paul Williams, Chief Executive of Derwent London, said:**

*“West End vacancy remains low and demand from high quality occupiers across a broad range of business sectors continues to outpace supply. Underpinned by our confidence that the property cycle has inflected, we believe now is the time to acquire well-located regeneration opportunities. Our decision to take full ownership of 50 Baker Street reflects this and marks the conclusion of a successful partnership with Lazari. We look forward to progressing the project to the next stage, with works expected to commence on site in H1 2026.”*

**Nicholas Lazari, Director of Lazari Investments, said:**

*“The sale of our 50% interest in 50 Baker Street marks the culmination of a successful partnership with Derwent London. Following receipt of the resolution to grant planning in August and having made good progress on the regear with The Portman Estate, we feel the time is right to capitalise on our efforts. The cash proceeds from the sale ensures that the equity requirements for our exciting and extensive West End development pipeline are now fully funded and puts us in a strong position to realise opportunities that may arise.”*

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**Notes to editors**

**Derwent London plc**

Derwent London plc owns 63 buildings in a commercial real estate portfolio predominantly in central London valued at £4.8 billion as at 30 June 2024, making it the largest London office-focused real estate investment trust (REIT).

Our experienced team has a long track record of creating value throughout the property cycle by regenerating our buildings via redevelopment or refurbishment, effective asset management and capital recycling. We typically acquire central London properties off-market with low capital values and modest rents in improving locations, most of which are either in the West End or the Tech Belt. We capitalise on the unique qualities of each of our properties – taking a fresh approach to the regeneration of every building with a focus on anticipating tenant requirements and an emphasis on design. Reflecting and supporting our long-term success, the business has a strong balance sheet with modest leverage, a robust income stream and flexible financing.

We are frequently recognised in industry awards for the quality, design and innovation of our projects. Landmark buildings in our 5.3 million sq ft portfolio include 1 Soho Place W1, 80 Charlotte Street W1, Brunel Building W2, White Collar Factory EC1, Angel Building EC1, 1-2 Stephen Street W1, Horseferry House SW1 and Tea Building E1.

As part of our commitment to lead the industry in mitigating climate change, Derwent London has committed to becoming a net zero carbon business by 2030, publishing its pathway to achieving this goal in July 2020. Our science-based carbon targets validated by the Science Based Targets initiative (SBTi). In 2013 the Company launched a voluntary Community Fund which has to date supported over 160 community projects in the West End and the Tech Belt.

The Company is a public limited company, which is listed on the London Stock Exchange and incorporated and domiciled in the UK. The address of its registered office is 25 Savile Row, London, W1S 2ER.

For further information see [www.derwentlondon.com](http://www.derwentlondon.com) or follow us on [LinkedIn](#)

**Forward-looking statements**

This document contains certain forward-looking statements about the future outlook of Derwent London. By their nature, any statements about future outlook involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. Actual results, performance or outcomes may differ materially from any results, performance or outcomes expressed or implied by such forward-looking statements.

No representation or warranty is given in relation to any forward-looking statements made by Derwent London, including as to their completeness or accuracy. Derwent London does not undertake to update any forward-looking statements whether as a result of new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast.