

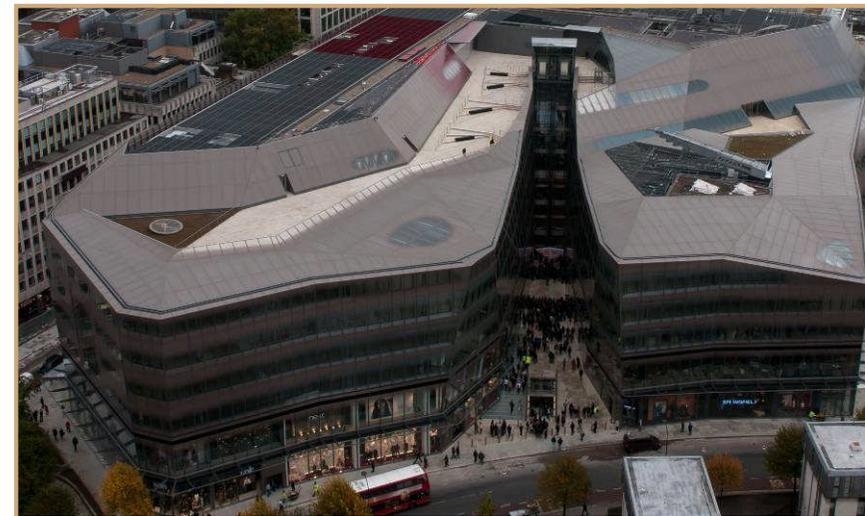
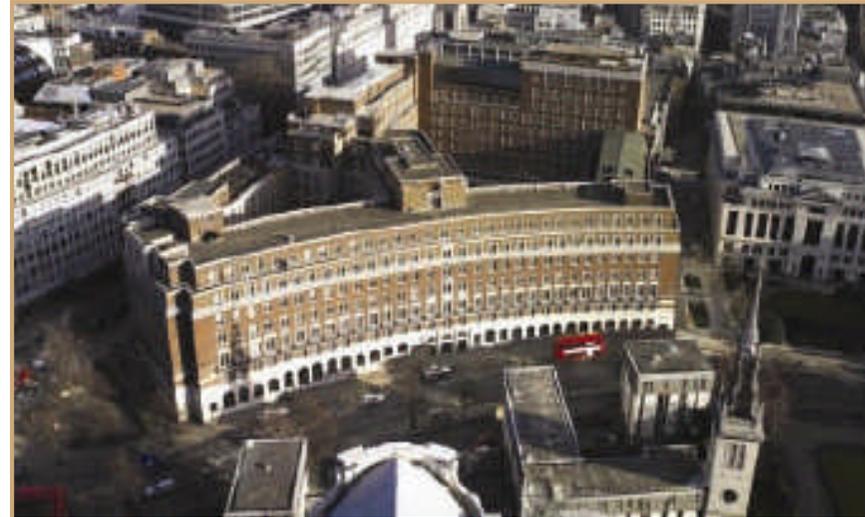
One New Change

10 December 2010



## Context

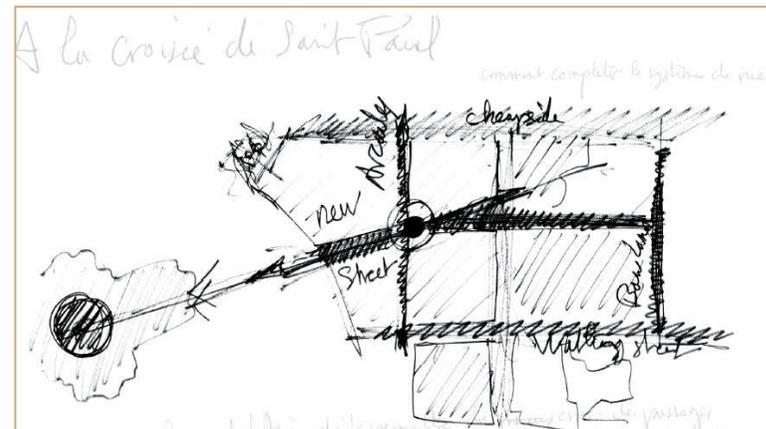
- Ability to get consents and deliver
- Retail let in very challenging market conditions – well positioned for rental growth
- Column free, flexible office space delivered into an improving market



**Cardinal Place, New Street Square, One New Change...**

# Design competition

- Targets:
  - Respect St Paul's but be contemporary
  - Maximise commercial envelope
  - Permeability / public realm
  - Retail destination / critical mass
- Constraints:
  - St Paul's height & St Paul's depth
  - Potential listing of existing building
  - London Underground – Central Line close by

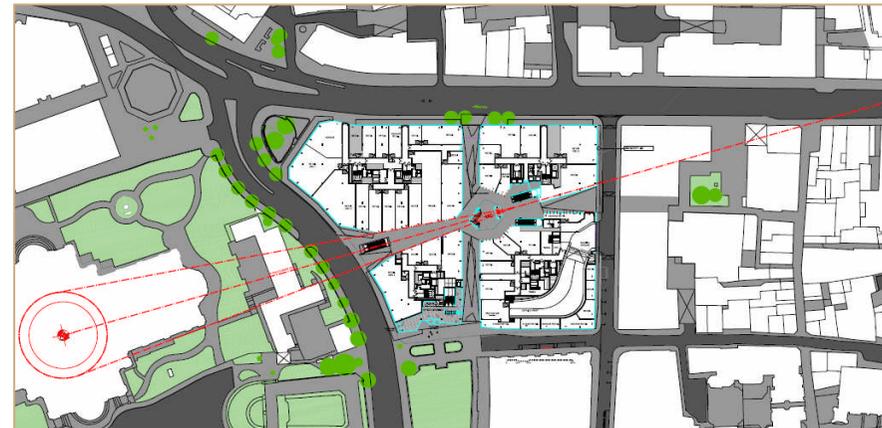
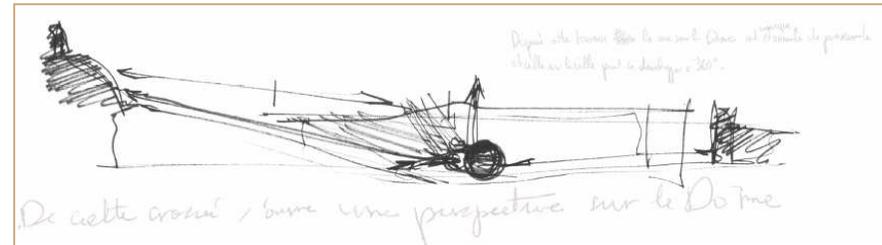


Jean Nouvel's Initial Sketch

## Capturing the imagination

# Jean Nouvel's design concept

- Building subservient to St Paul's
- Alignment to Cheapside, St Paul's and Bow Church
- Permeability North-South and East-West
- Stunning views from within



ONC Design Principle

**Below the radar of St Paul's Cathedral**



# Jean Nouvel's design concept



Watling Street **before**



Watling Street **after**



New Change passage **before**



New Change passage **after**

## Opening up views of St Paul's Cathedral

## Key dates

Demolition	Dec 2006
Construction start	Aug 2007
Superstructure (start)	Oct 2008
Envelope (start)	April 2009
Building watertight	Feb 2010
Shell & Core complete	April 2010
Centre opening	Oct 2010



**Delivered on time and to budget**

## Retail context

- Shopping offer has been in decline for decades
- Huge untapped spending
- 320,000 people work in the City of London
- 7 million people visit the City of London each year
- No major retail destination to cater for this market

*Peter Rees*

*“Currently, if you turn 180 degrees and head east from Oxford Street, the first time you will come to anything equivalent is Amsterdam.”*



Cheapside Retail Initiative

**Bringing the high street to the City of London**

# Retail

- Retail passages linking New Change & Bread Street, Cheapside & Watling Street
- 3 retail floors
- 58 retail units, of which 4 MSU's
- 190,000 sq ft in total
- Unit sizes from 400 sqft – 22,000 sqft
- Lower Ground - aspirational but not luxury
- Ground Floor - best in high street
- 1<sup>st</sup> Floor - lifestyle and restaurants
- Roof - restaurant and café



**Creating the destination**

Accessorize

ALLSAINTS SPITALFIELDS



BANANA REPUBLIC



BYRON  
PROPER HAMBURGERS

BRIDGES

NEWSAGENTS  
CONFECTIONERS  
TOBACCONISTS

Calvin Klein  
underwear

HERSHESONS  
BLOW DRY BAR

H&M



JAMIE OLIVER  
BARBECOA  
ADAM PERRY LANG

FRASER HART

FOYLES

Dune

ellisbrigham  
MOUNTAIN  
SPORTS

HOBBS  
LONDON

LINKS  
LONDON

SWAROVSKI

swatch

SuperdryStore.  
極度乾燥(しなさい)

Phase Eight

HOTEL  
Chocolat.

dermalogica<sup>®</sup>  
a skin-care system researched and developed by the International Dermal Institute

SPRINGFIELD  
Man & Woman

AZENDI

OFFICE

BOSS  
HUGO BOSS

Nando's

L.K.Bennett  
London

RUSH  
HAIR

KURT GEIGER

KAREN MILLEN

YOUR  
M&S  
Quality worth every penny

MANGO  
REISS

KETROY



STRIP

Shirtstream drycleaners

sumoSalad

MALIKA

TOPMAN

NEVER STOP EXPLORING

OLIVER BONAS

T.M.Lewin

TOPSHOP



WILTON & NOBLE  
LONDON

women'ssecret

Zizzi  
Restaurants

next

# One New Change

## Retail leasing profile

	Number of retail leases	Sq ft
Standard leases	9	29,000
Base plus turnover	40	135,000
Turnover only	9	26,000
<b>Total</b>	<b>58</b>	<b>190,000</b>

WAULT	9.9 years
Incentives	av. 1.8 years
Zone A	£100 - £220
Conventional rental value	£10.4m
Guaranteed base	70%

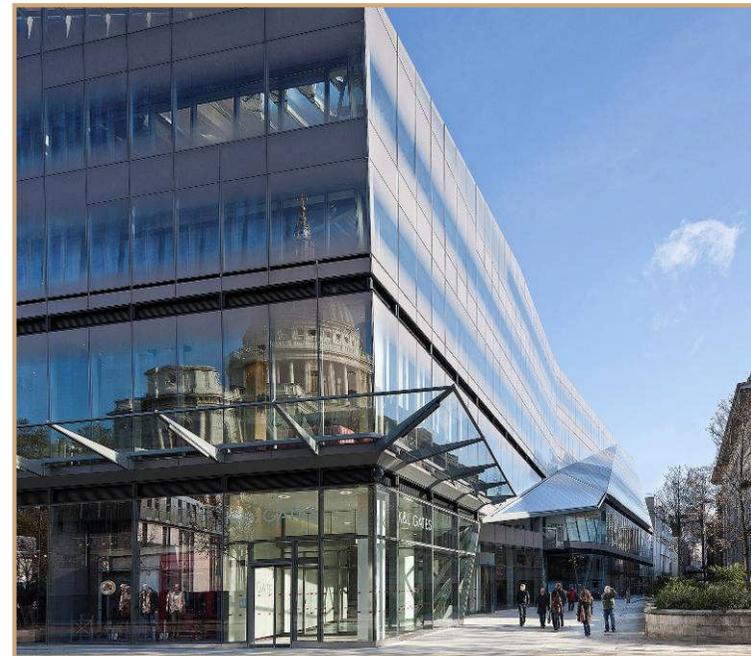
Land Securities pre-emption

Rents revert to conventional rental value on sub-letting

Most leases revert to conventional rental value at first review

## Offices

- Office entrance on Watling Street
- Escalators ground to 2nd floor office reception
- 5 office floors
  - 2<sup>nd</sup> to 5<sup>th</sup> of up to 90,000 sq ft
  - 6<sup>th</sup> floor of 9,000 sq ft
- 340,000 sq ft NIA in total
- 120,000 sq ft let to K&L Gates
- 220,000 sq ft remaining of which 39% is under offer



Approximately 3,000 people will occupy the offices when fully let



# Developments

## Financials

	September 2010 valuation	TDC <sup>1</sup> outstanding at 30.09.10	Total	Net income / ERV <sup>2</sup>	Assumed average ERV of vacant space
	£m	£m	£m	£m	£psf
One New Change, EC4	347	67	<b>414</b>	29.3	52.50
62 Buckingham Gate, SW1			<b>199</b>	17.2	65.50
20 Fenchurch Street, EC3 <sup>3</sup>			<b>250</b>	20.5	59.50
123 Victoria Street, SW1			<b>150-160</b>	13.0	50.00
110 Cannon Street, EC4			<b>50-60</b>	4.0	53.00
60 Ludgate Hill and 30 Old Bailey, EC4			<b>260-280</b>	20.5	55.00

1 TDC outstanding is estimated capital expenditure required from 30 September 2010 plus capitalised interest. It excludes void costs post completion

2 Headline annual rent payable plus ERV on unlet units, net of ground rent

3 Land Securities' share

## Conclusion

- Ability to get consents and deliver
- Retail let in very challenging market conditions – well positioned for rental growth
- Column free, flexible office space delivered into an improving market



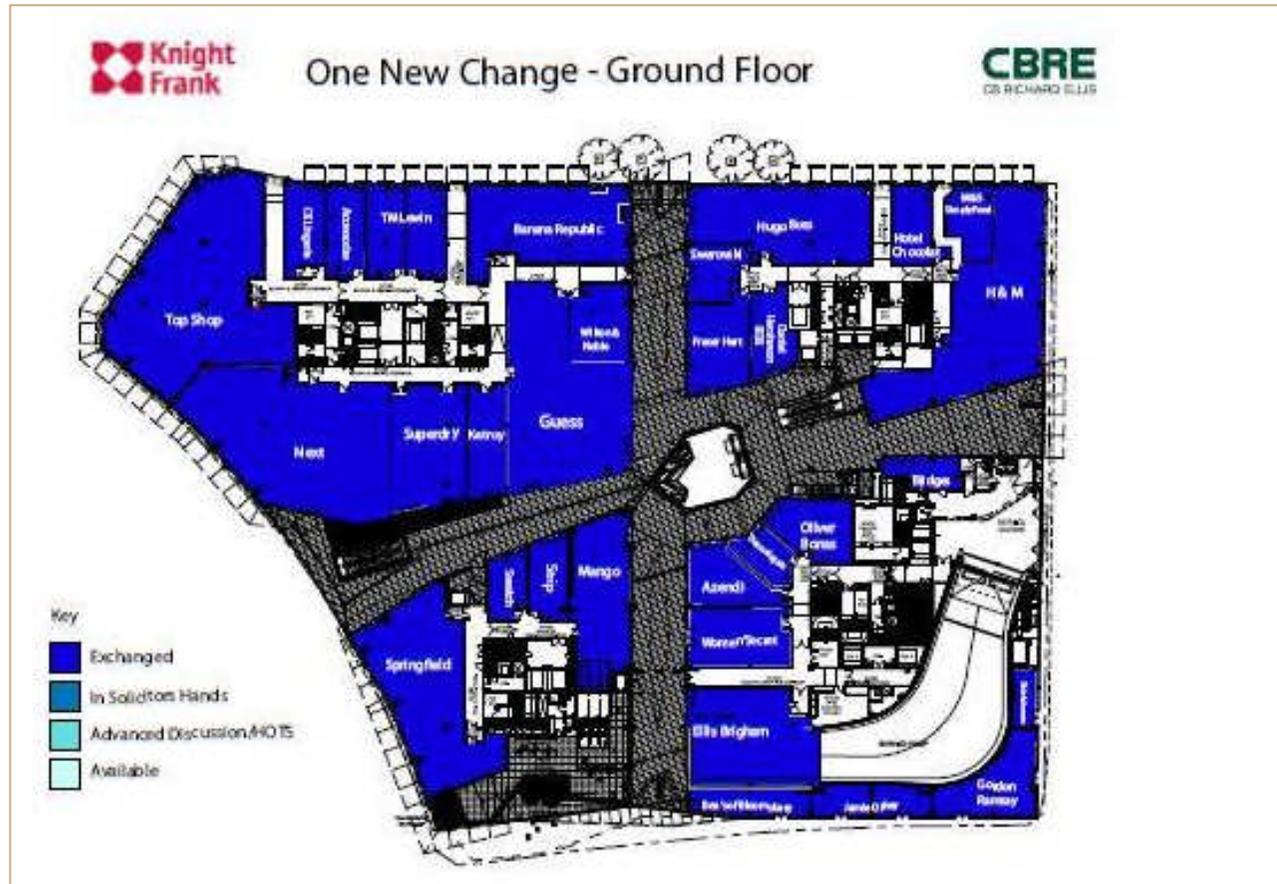
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# Forging the future of London



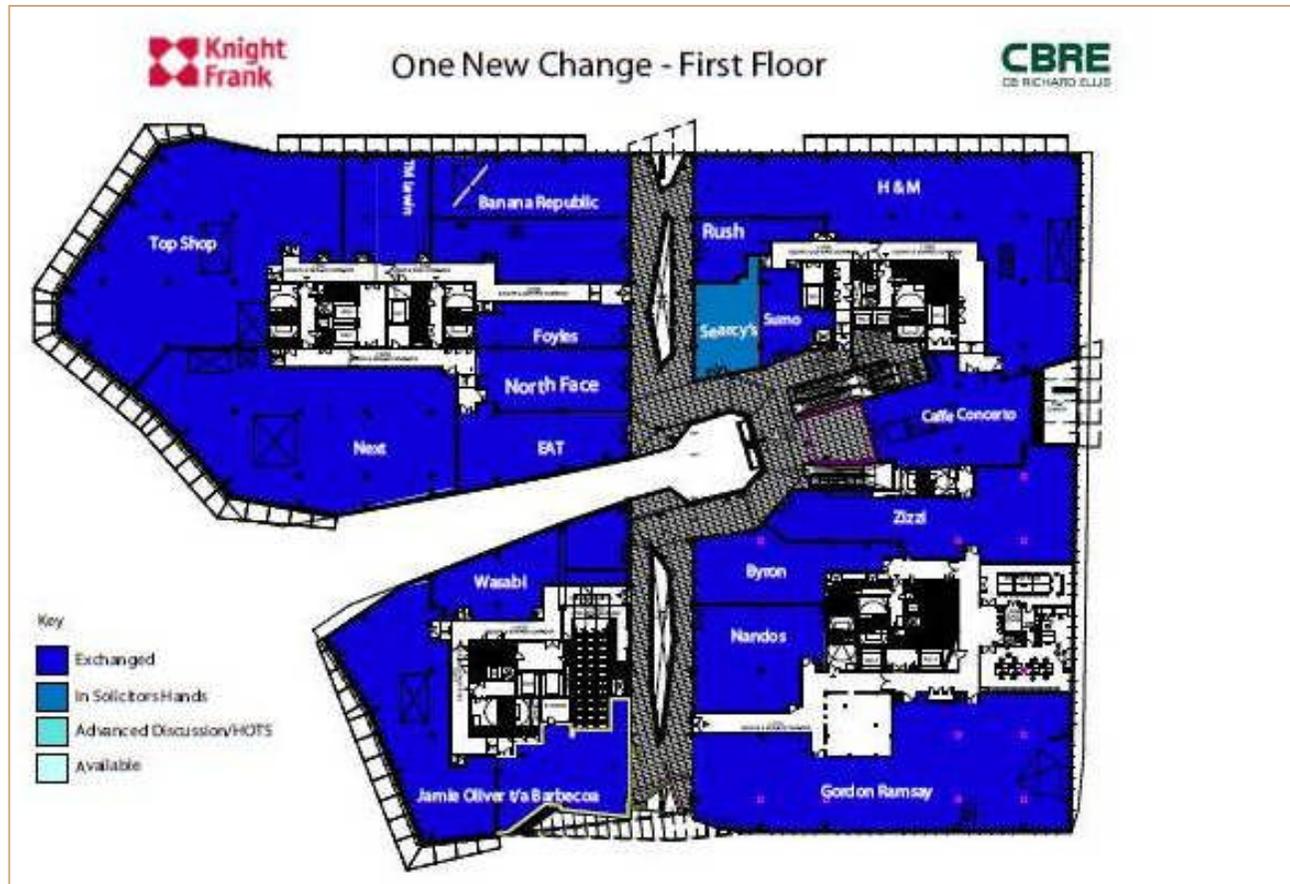
# Appendix

# Retail



## Ground floor

# Retail

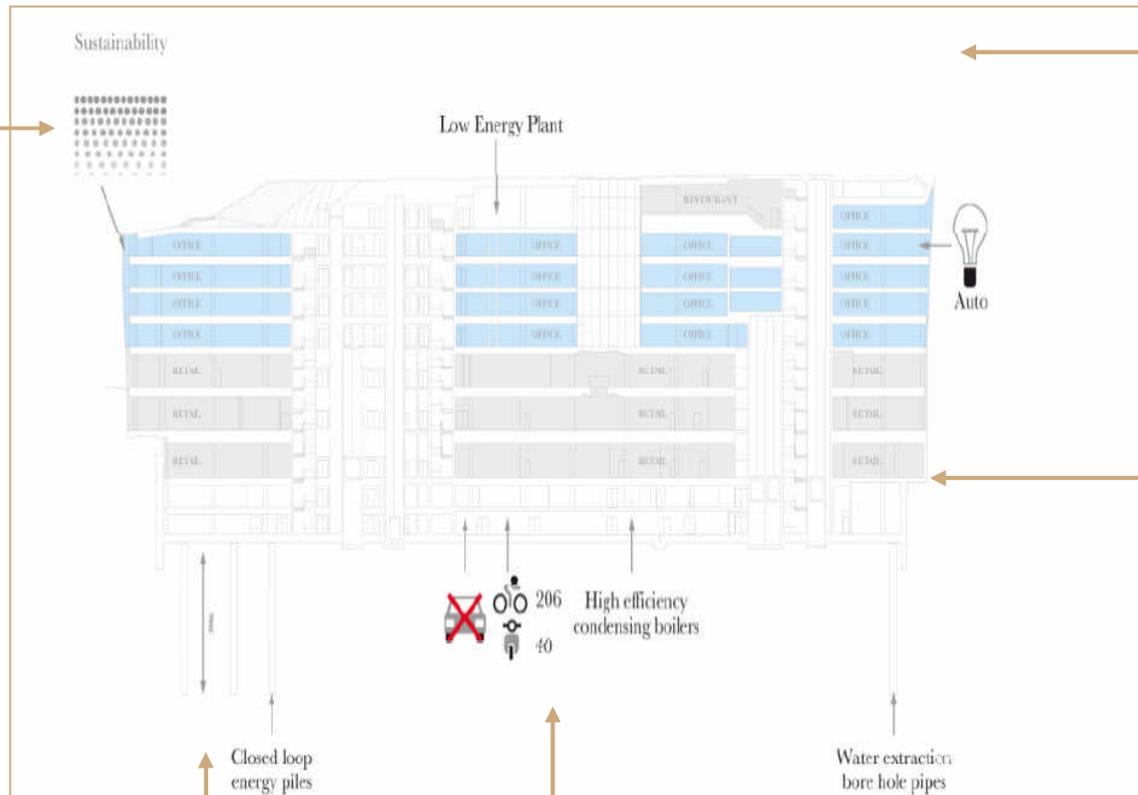


## First floor

# Sustainability

10% improvement on 2006 Building Regulations for the offices and 1.6% for the retail

Solar control glazing with extensive use of graded frit limit solar heat gain.



Energy use managed by an extensive BMS system, with most plant having inverter control to optimise performance. Individual floor control for ventilation, heating and cooling. High efficiency zero ODP chillers with good part load COP performance. Lighting Control System including daylight sensing and drawing

The design has set an air tightness target of 5m<sup>3</sup>/hr/m<sup>2</sup> of façade which goes beyond the minimum requirements of the new 2006 Building Regulations Part L. Retail Tenants Design Guide encouraging and demonstrating to tenants responsible fit out design to meet or better current Part L.

10% renewable contribution achieved by extensive Ground Source Energy System, which uses 219 closed loop energy piles and 2 open loop bore holes

No car parking  
206 bicycle spaces  
40 Motorcycle spaces

Sustainability

**85% of demolition material has been recycled**