# Operating and portfolio review

The value of our portfolio increased to £12.0bn during the year, marking a 3.6% increase adjusted for investments and disposals, and is made up of the following categories:

### Central London

Our high-quality office (85%) and retail and other commercial space (15%), located in the West End (56%), City (39%) and Southwark (5%). Of our investment assets, 49% has been developed in the last ten years, compared to c. 20% for the overall London office market.

Proportion of Combined Portfolio

65%

### Major retail destinations

Our investments in six shopping centres and five retail outlets, with the seven largest assets comprising 82% of the overall retail portfolio value, most of which are amongst the highest selling locations for retailers in the UK.

Proportion of Combined Portfolio

16%

### Mixed-use urban neighbourhoods

Our investments in mixed-use assets and, principally, future development opportunities focused on five key sites in London, Manchester and Glasgow, some of which still have a short-term use as retail ahead of their medium-term redevelopment.

Proportion of Combined Portfolio

7%

### Subscale

Assets in sectors where we have limited scale and which we will therefore divest over time, with a broadly equal split between retail parks, hotels and leisure assets.

Proportion of Combined Portfolio

12%



We expect our weighting towards central London to reduce to 55-60% over time, as we plan to continue to sell mature assets and focus investment on the opportunities in our development pipeline. We expect mixed-use urban neighbourhoods to grow to 20-25% of our portfolio, as we build out our current pipeline. We envisage major retail destinations could grow to 20-25% as well, although this would leave our overall retail exposure largely stable, as we plan to trade out of subscale retail park and leisure assets over time.

### Investment activity

We have made good progress on our objective to reposition our portfolio towards future growth. At the time of our Strategic Review in late 2020, we said we intended to sell c. £4bn of mature London office assets and assets in sectors which were sub-scale over the next six years. To date, we have sold £1.1bn of assets, which means we are well on track versus this target. Whilst our initial focus in late 2020 and early 2021 had been on disposals, over the past year we switched our attention to acquisitions.

Our largest deal this year was the acquisition of a 75% stake in MediaCity in Salford, Greater Manchester for £426m, Europe's largest purpose built tech and media hub. The existing estate covers 1.7m sq ft of offices, studios, residential, leisure and retail space and is 96% let with a 10-year WAULT. It provides an attractive 5.8% initial yield and over half of the income is RPI-linked. There is consent to develop a further 1.7m sq ft of residential and commercial space, so we expect to invest a further £400m+ in developing this over the medium term.

Our second major acquisition was of U+I Group PLC, which we acquired for £269m (including £83m of net debt). This provides us with access to five large development projects in London, Manchester and Cambridge. Three of these already have consent, the largest of which is Mayfield; a 24-acre site next to Piccadilly station in Manchester with the potential to deliver 2.5m sq ft of residential and commercial space. We plan to sell c. £190-210m of U+I's non-core assets over the next two years, leaving an attractive in-price for the core projects of c. £60-75m, and we have already sold or exchanged contracts to sell £61m of non-core assets, 10% above book value.

Aside from these two urban mixed-use opportunities deals, we also acquired an additional 25% stake in Bluewater shopping centre for £168m, reflecting an attractive 8.15% initial yield, in line with our strategy to grow exposure to major retail destinations. We subsequently sold 25% of this stake to our existing JV partner M&G at the same valuation, which means our overall interest in the centre increased from 30% to 48.75%. We also agreed the £60m forward purchase of the 77,000 sq ft Oval Works, SE11 office development, which offers potential for our Myo flexible office brand.

In terms of disposals, we sold Harbour Exchange, E14 for £197m, reflecting a 11% premium to the March 2021 book value and a 3.99% initial yield. This was a mature asset that offered little further upside, being a fully let 1980's building with a WAULT of 19.7 years. We also sold two small retail parks for a combined £53m, representing a 15% premium to book value. Shortly after the year-end, we exchanged contracts to sell 32-50 Strand, WC2 for £195m, representing a 15% premium to the March 2021 book value and a 4.2% yield, which following a regear with the sole office occupier in August, was relatively mature as well.

Looking ahead, we expect to make further progress on our portfolio repositioning over the next 12 months. We are in active discussions on further disposals in central London and we continue to monitor the best timing to monetise our subscale assets, as values continue to grow, as expected. The significant potential in our development pipeline means we will be selective in terms of acquisitions, although we could see some potential attractive opportunities emerging in retail.

## Portfolio valuation

Investment volumes in our key sectors increased materially over the year. Transaction volumes in London offices doubled to £14.3bn, close to the long-term average and following a dearth of investment during the pandemic, retail investment increased to the highest level since 2017. Initially this was mostly focused on retail parks and supermarkets, but recently demand has started to spread to shopping centres. Against this backdrop our portfolio increased in value by 3.6% over the year, including a 2.9% increase in the second half of the year with positive valuation growth across virtually all segments in the second half. Our current portfolio valuation fully reflects the costs required to achieve an EPC rating of 'B' by 2030.

Our Central London portfolio value was up 3.7%. Office ERVs were up 2.5%, including 4.0% growth in West End ERVs driven by our strong letting activity in Victoria. Yields compressed slightly, principally driven by a number of significant lease-regears, in particular with our second-largest tenant Deloitte, who regeared the lease of their global HQ at New Street Square, EC4 for 15 years, in a deal which also saw us free up a 170,000 sq ft 1970's building for future development. Our development activity contributed positively to the valuation, principally due to 21 Moorfields, EC2 which is fully pre-let and set to complete later this year. Central London retail and other values softened during the first half, but this fully recovered in the second half of the year with a 5.3% increase as footfall and leasing activity started to recover.

Our retail portfolio was up 1.7% in the second half of the year, leaving it virtually flat for the full year. Shopping centre values increased 2.5% in the second half, leaving them down 1.3% for the year as a whole, whilst outlets were up 1.6% for the year. Rental values were down 0.9% for the year and up 0.4% in the second half, supported by the our strong leasing activity, on average 2% ahead of ERV. Yields compressed slightly in the second half, broadly offsetting a minor softening in the first half.

Valuation analysis

Table 4

| | Market value 31 March 2022 £m | Surplus/ (deficit) £m | FY valuation movement % | H2 valuation movement % | LFL rental value change[1,2] % | Net initial yield[2] % | Equivalent yield[2] % | Movement in LFL equivalent yield[2] bps |
|---|---|---|---|---|---|---|---|---|
| West End offices | 3,013 | 86 | 3.0 | 2.6 | 4.0 | 4.2 | 4.6 | –2 |
| City offices | 1,928 | 100 | 5.6 | 5.0 | 0.4 | 3.6 | 4.6 | –8 |
| Retail and other | 1,131 | 16 | 1.5 | 5.3 | – | 4.4 | 4.7 | 15 |
| Developments | 1,709 | 65 | 4.0 | –0.4 | n/a | 0.5 | 4.3 | n/a |
| **Total Central London** | **7,781** | **267** | **3.7** | **2.9** | **2.0** | **3.3** | **4.5** | **–1** |
| Shopping centres | 1,141 | (15) | –1.3 | 2.5 | –2.4 | 7.7 | 7.4 | 3 |
| Outlets | 743 | 12 | 1.6 | 0.6 | 1.4 | 5.8 | 6.7 | –10 |
| **Total Major retail** | **1,884** | **(3)** | **–0.1** | **1.7** | **–0.9** | **7.0** | **7.1** | **–3** |
| Completed investment | 409 | 8 | 2.0 | 2.0 | n/a | 5.1 | 5.7 | n/a |
| Developments | 486 | (33) | –6.5 | –3.9 | n/a | 5.5 | 5.3 | n/a |
| **Total Mixed-use urban** | **895** | **(25)** | **–2.8** | **–1.3** | **n/a** | **5.3** | **5.5** | **n/a** |
| Leisure | 569 | 41 | 7.4 | 3.6 | 0.3 | 6.7 | 7.1 | –40 |
| Hotels | 422 | 14 | 3.5 | 3.6 | 1.2 | 4.2 | 5.5 | –1 |
| Retail parks | 466 | 115 | 31.9 | 14.8 | 0.8 | 5.7 | 5.7 | –187 |
| **Total Subscale sectors** | **1,457** | **170** | **12.9** | **6.9** | **0.7** | **5.6** | **6.2** | **–70** |
| **Total Combined Portfolio** | **12,017** | **409** | **3.6** | **2.9** | **1.0** | **4.3** | **5.2** | **–11** |

1. Rental value change excludes units materially altered during the period.
2. Excluding developments.

# Operating and portfolio review continued

The value of our completed mixed-use assets at MediaCity increased 2.0%, but the value of our overall mixed-use urban neighbourhoods portfolio reduced 2.8%, as future development assets were down 6.5%. The majority of these are still valued based on their existing retail use and as we prepare these assets for redevelopment, we are deliberately moving income to shorter lease terms to create future flexibility. This weighs on valuations in the short term, but does not reflect any potential future development upside.

This time last year we said we expected the value of our subscale assets to recover from the impact of the pandemic and that we therefore did not plan to sell these in the short term. This decision has clearly been vindicated, as the value of our subscale assets increased by £170m. Hotel values were up 3.5%, as occupancy improved post the end of lockdown restrictions, whilst leisure assets were up 7.4%, partly reflecting two significant lease regears. Meanwhile, retail park values increased a marked 31.9%, with 187bps of yield compression, driven by a strong recovery in investment demand.

Looking ahead, there remains a significant amount of capital targeting investment in London offices, with yields offering a premium compared to other key European markets. Assuming bond yields do not rise materially from here, we therefore expect this weight of capital to keep yields broadly stable over the next 12 months and we anticipate ERVs to grow by a low to mid single digit percentage. Despite the headwinds to consumers of rising inflation, we expect that the growing recognition that income has stabilised post the pandemic will increase investor demand for retail and could drive shopping centre yields down from their current all-time highs. We expect to see further growth in the value of subscale assets, driven by further operational improvement in hotels and strong investor demand for retail parks.

### Leasing and operational performance

Occupational demand improved markedly across our main markets over the past year. In Central London, office take-up increased to 10.6m sq ft, which was up 135% versus the prior year. Demand continued to build during the period, with activity in Q1 22 in line with the 10-year first quarter average, and space under offer is at 3.9m sq ft ahead of the 3.3m sq ft 10-year average. Overall market vacancy remains elevated at 9.0%, although 83% of this is second-hand space, much of which does not necessarily fit today's customer and sustainability requirements, and most of this is concentrated in the City, with West End vacancy at a more modest 4.6%. Following the end of lockdown restrictions, demand for retail space in prime locations has grown, although there remains a surplus of secondary space in the wider market. With this as a backdrop, we have delivered a record year in terms of leasing volumes.

### Central London

In Central London, we signed 21 office lettings or renewals totalling a record £63m of rent, demonstrating strong demand for space. This includes a deal with Deloitte at New Street Square, who agreed a new 15 year lease on 478,000 sq ft of space via a lease restructuring that saw us get access to Hill House, EC4, a 170,000 sq ft 1970s building, creating a future redevelopment opportunity and a significant value uplift across the overall New Street Square estate. Other major lettings included a 100,000 sq ft regear with Bain & Company at the Strand, a 97,000 sq ft lease renewal with Wellington Management at 80 Victoria Street, and a 77,000 sq ft lease renewal with consultancy firm Alix Partners at 6 New Street Square.

On a net effective basis, office lettings were 4% ahead of valuers' assumptions and we have a further £6m of deals in solicitors' hands, 13% above valuers' estimates. Vacancy in our office portfolio remains well below the market average at 4.7%, reflecting the high quality of our assets. This is slightly higher than the 3.3% this time last year, partly due to the completion of Dashwood House, EC2, which added c. 40 bps and a slight increase in vacancy in our City assets.

Leasing in Central London retail and other picked up as footfall started to recover, with people returning to the office and tourism growing. The increase in vacancy during the year was principally driven by two lease surrenders we agreed at Piccadilly Lights, W1 as we are working on new opportunities for this prime space in conjunction with our adjacent Lucent development.

Looking ahead, we continue to see good demand for high-quality office space across the three products we offer, Blank Canvas, Customised and Myo, with current negotiations on rents on average ahead of ERV. Our flexible offerings, Customised and Myo, now cover 104,000 sq ft across three locations. Our fully serviced offer Myo comprises 72,000 sq ft of this and is 98% let at 123 Victoria Street and 64% at Dashwood, which opened during the year and remains in lease-up stage. We intend to open a further four Myo locations over the next two years, growing this to c. 237,000 sq ft.

### Retail

Our proactive approach to leasing in the prior year, prioritising occupancy over protecting ERV, means we reached a clear turning point in terms of occupancy and income during 2022 for our retail portfolio. We completed 228 lettings totalling £20m – similar to 2019/20 – on average 2% ahead of ERV and have a further £9m of lettings in solicitors' hands, on average 3% ahead of ERV. Lease terms are often shorter than a few years ago and c. 30% of our leases now have a turnover element, although overall turnover rent only makes up 11% of our retail income. Incentives have reduced as well and the growing insight in turnover provides valuable data, supporting our view that rents are broadly at sustainable levels.

For many leading brands, online and physical channels are now seen as fully inter-connected. This does not mean brands will not rationalise store footprints, as we think this could even be accelerated further with inflation putting pressure on marginal stores. This focuses demand on prime locations, creating further polarisation between winning destinations and those at risk of obsolescence. Although market vacancy is set to remain high, our occupancy was up 170bps to 93.2% and is expected to grow further.

We have further grown our relationships with existing customers, with several of them opening new stores in other locations, such as Zara at One New Change and St David's in Cardiff, Mango at Bluewater, and Decathlon at Trinity Leeds and Southside. We also worked with existing brands to increase their space in our centres, such as Laings/Patek Philippe at St David's, H&M at Trinity and Nike at Gunwharf Quays, and, in a flight to prime, we have attracted several new brands to our assets from nearby locations, such as Nespresso and Space NK at Trinity. We signed several digital-native brands to open physical stores, such as Crep Collection Club at Bluewater and Kick Game at Trinity, and we continue to grow our food and leisure offer, for example with the debut of the Formula 1 simulator experience at One New Change, Hangloose Adventure, The Real Greek and The Big Easy at Bluewater, and The Ivy Asia at St. David's.

Footfall was 19.6% below pre-Covid-19 levels versus -18.5% for the UK average, but the average basket size increased. As such, like-for-like retail sales were 6.8% ahead of 2019/20 levels for outlets and down only 1.5% for shopping centres. Units in administration reduced materially to 0.5%, from 5.4% a year ago, and we have only seen two retailers entering into CVA/restructuring plans, covering £0.7m of annual rent.

This recovery in shopping centre sales to close to pre-pandemic levels is stark compared to rents which are c.40% lower and values which are down c.65% from their peak. Whilst we are mindful that the pent-up demand post lockdown could moderate and rising inflation clearly provides a near-term headwind, this provides confidence in the sustainability of income and valuations for prime destinations.

Looking forward, we expect occupancy will continue to grow this year and despite some historical over-renting, we expect like-for-like income to be stable this year, before returning to growth in the medium term. We will continue to invest in repositioning space to add more leisure, food and work space, for example in Oxford and Leeds where we are working up plans to add new flexible office space.

### Mixed-use urban neighbourhoods

The completed investment assets in our mixed-use portfolio solely comprise our investment in MediaCity, which we acquired in late 2021, but this element of our portfolio will grow materially in the coming years. The existing assets at MediaCity are 96% let and over half of the income is linked to RPI with caps and collars at 2-5%, guaranteeing future income growth. Our mixed-use development assets include our shopping centres in London and Glasgow but as these are held for future development, the existing income is managed on a short-term basis to maximise our flexibility to obtain access for development.

### Subscale sectors

The operational performance of our Subscale sectors improved strongly, driving a significant increase in valuation, ahead of our planned disposal in the medium term. Our Hotels which are all let to Accor are fully operational and occupancy recovered to 67% of pre-pandemic levels and reached 92% for the month of March. Across our Leisure assets, we completed 66 lettings, on average 4% ahead of ERV and we signed a number of major regears, for example with SnoZone in Yorkshire for 20 years. Retail parks have seen footfall recover fully to pre-pandemic levels and we signed 28 lettings, which supported an increase in occupancy to 96.5%.

### Investing in sustainability, people and culture

During 2021, we were the first UK property company to announce a fully costed net zero carbon transition plan. This will see us invest £135m of capex in our existing portfolio by 2030 to enable us to deliver our science-based target and meet the Minimum Energy Efficiency Standard of EPC 'B' by 2030. Currently, 44% of our office portfolio is already rated 'B' or higher, which compared to 15% for the overall office market highlights the quality of our assets. Our plan also aligns our portfolio with the Carbon Risk Real Estate Monitor energy intensity pathway for commercial buildings under a 1.5-degree global warming scenario.

We are on track to complete The Forge, SE1, which according to the UK's Green Building Council will be the UK's first net zero office development, later this year. As part of our Build Well framework, we target to reduce embodied carbon by 50% versus a typical development by 2030, to below 500kg$CO_2$e/sqm for offices. This will require us to work closely with our supply chain to change ways of working, focusing, for example, on low carbon materials; smart designs with modern methods of construction; and standardised materials that can be reused at end of life, but also on the retention of existing structures.

Operational performance analysis

Table 5

| | Annualised rental income £m | Estimated rental value £m | LFL Occupancy[1] % | LFL occupancy change[1] ppt | WAULT[1] years |
|---|---|---|---|---|---|
| West End offices | 135 | 147 | 98.2 | –0.8 | 6.9 |
| City offices | 76 | 101 | 91.3 | –2.3 | 5.9 |
| Retail and other | 47 | 54 | 94.2 | –2.2 | 7.4 |
| Developments | 10 | 112 | n/a | n/a | n/a |
| **Total Central London** | **268** | **414** | **95.1** | **–1.5** | **6.6** |
| Shopping centres | 108 | 101 | 92.8 | 3.0 | 4.4 |
| Outlets | 56 | 61 | 93.8 | –0.4 | 3.0 |
| **Total Major retail** | **164** | **162** | **93.2** | **1.7** | **3.9** |
| Completed investment | 24 | 24 | n/a | n/a | 10.1 |
| Developments | 29 | 32 | n/a | n/a | n/a |
| **Total Mixed-use urban** | **53** | **56** | **n/a** | **n/a** | **10.1** |
| Leisure | 49 | 51 | 96.5 | 2.7 | 10.4 |
| Hotels | 16 | 25 | n/a | n/a | 9.4 |
| Retail parks | 29 | 29 | 96.5 | 1.5 | 4.4 |
| **Total Subscale sectors** | **94** | **105** | **97.4** | **1.5** | **8.1** |
| **Total Combined Portfolio** | **579** | **737** | **95.0** | **–0.1** | **6.2** |

1. Excluding developments.

# Operating and portfolio review continued

Our plans for Portland House, SW1 and Timber Square, SE1 reflect this, as our reworked designs retain more of the existing buildings. We will also work with our supply chain to improve social mobility where we invest.

As we invest in building a sustainable business, we are also investing in building a more agile, customer-focused culture. An example of this is the restructuring of our retail team, where we brought in experience and capabilities from international retailer backgrounds to focus more on growing brand relationships and customer experience. The ongoing integration of U+I is also focused on ensuring we preserve the unique placemaking and design capability of the team and we have made a number of leadership changes in our own team during the year. Changing the culture of our business is key to getting the most out of the substantial talent within Landsec and successfully delivering on our strategy in the long term, and whilst we have made good progress to date, we will continue to invest in this, as there is more to do.

## Development pipeline

*Central London*

We have continued to make good progress on our committed development pipeline, despite wider market challenges from supply chain disruption and labour shortages. We have seen a small 3% increase in cost as a result during the year and a few months of delay in terms of completions. However, as 97% of costs are now fixed and based on current levels of interest, we expect higher income will make up for the small increase in cost. As such, we expect this pipeline to deliver an attractive profit on cost of over 20%.

Our fully pre-let scheme at 21 Moorfields is set to complete this autumn. We are seeing good demand across our speculative pipeline, even though completion of some of these projects is still more than one year out. Part of this space is earmarked for our Myo flexible office product, but 12% of the remaining ERV is already pre-let and we are in active negotiations on a further 16%, ahead of expected ERVs. We anticipate to see further progress in leasing over the next six months.

After adding Old Broad Street, EC2 to our future pipeline in late 2020, we managed to unlock two further potential development opportunities over the last 12 months, bringing our total future pipeline to 1.8m sq ft, or c. 35% of our current London office portfolio. The acquisition of U+I provided us with Liberty of Southwark, SE1 a 200,000 sq ft consented scheme two minutes walk from Borough Market and London Bridge Station, while our lease regear with Deloitte at New Street Square unlocked the opportunity to redevelop the adjacent Hill House, EC4. Given the continued strong investor competition for development sites, we are pleased to have been able to expand our potential pipeline in this 'off-market' way. This will remain an objective, as we maintain capital discipline in a competitive market.

At Portland House we have reworked our plans to a redevelopment of the existing space, reducing the size of the overall scheme but maintaining more of the existing structure, which materially reduces the targeted embodied carbon of the scheme to below 400kg$CO_2$e/sqm. This also mitigates the risk of further cost inflation, as a much greater proportion of the total development cost is made up of the existing building. Combined with Timber Square, SE1 and Liberty of Southwark, we therefore now have the flexibility to start up to three new projects this year. Whilst expected development costs are up due to higher construction costs, the impact of this has been offset by growth in ERVs. The expected yield on cost therefore remains stable at 6.3%, providing an attractive c. 20% profit on cost. Assuming demand and inflation remain around current levels, we could therefore start up to three new projects this year.

*Mixed-use urban neighbourhoods*

During 2021, we have made considerable progress on our strategy to grow our mixed-use opportunities. Our acquisitions of MediaCity and U+I virtually doubled our mixed-use pipeline to 9.0m sq ft and as both came with existing planning consents, they also significantly accelerated the potential delivery compared to our existing schemes, which are at earlier planning stages. We continue to closely monitor cost inflation, which has a higher impact outside of London than in the capital due to the difference in land values but importantly, the growth outlook for Manchester in particular is strong and the multi-phased nature of our schemes provides optionality. Overall we continue to expect mixed-use London projects to deliver a low double digit IRR and our projects elsewhere to deliver an IRR in the low to mid teens.

The U+I scheme at Mayfield, next to Piccadilly station in Manchester, is a 24-acre site with planning for 1,500 homes, 1.5m sq ft of office space and 120,000 sq ft of retail/leisure space. The site is held in a 50/50 JV between us and Transport for Greater Manchester, Manchester City Council and LCR. During the year, we completed the creation of a new 6.5-acre park and we plan to start on site with the first phase of 316,000 sq ft of offices late this year.

The next phase of MediaCity comprises a 15-acre site, with consent for c. 1,200 new homes and 637,000 sq ft office and commercial space. The site is held in a 75/25 JV between us and Peel, who developed the first phase of this successful scheme. In the summer, we plan to submit a revised planning application for a 330,000 sq ft office building, nearly tripling the potential space of this building. With a total cost of c. £100-110m and a yield on cost of c. 7.5%, we aim to start on site with this project in Q2 2023. We also anticipate submitting a revised outline planning application for the entire remaining site later this year.

At Finchley Road, NW3 we submitted a planning application for a new pedestrianised, sustainable neighbourhood of c. 1,800 homes and 180,000 sq ft of retail, leisure and other space. 35% of homes are affordable and public open space makes up 50% of this 14-acre site. We have made good progress on our vacant possession strategy and, subject to planning, we aim to start the first phase in late 2023.

We also published our masterplan for Buchanan Galleries, adjacent to Queen Street station in Glasgow. Our plans for this 9-acre site comprise c. 300 homes and 1.4m sq ft of retail, office, cultural and community space. We are in constructive dialogue with the Council and the Scottish Government, who are both supportive of our plans, and we have further progressed our VP strategy during the year, building flexibility for a potential start on site in 2024.

In Lewisham, SE13 we started public consultation on the proposed redevelopment of this 13-acre site, with potential for c. 2,200 homes and c. 275,000 sq ft of retail, leisure and office space. We acquired a 46,000 sq ft site on the high street as part of our site assembly strategy and are working closely with the Council on activating the existing 1970's shopping centre for the local community in the near term.

This pipeline of projects provides an attractive balance of income, development upside and medium-term growth potential. The ability to phase investments across various projects means we have the opportunity to create a relatively repetitive stream of development returns over the coming years, whilst retaining flexibility to adapt to changes in demand. Meanwhile, the flexibility to stage capex, mixed-use nature and geographic spread of the pipeline all add to its balanced risk-profile. We see the potential to invest c. £1.5bn across these schemes over the next five years, which with a targeted profit on cost of c. 20% provides us with a clear trajectory to grow urban mixed-use to c. 20-25% of our overall portfolio.

### Committed development pipeline

Table 6

| Property | Sector | Size sq ft '000 | Estimated completion date | Net income/ ERV £m | Market value £m | Capital expenditure to complete £m | Market value + future TDC £m | Gross yield on MV + future TDC % |
|---|---|---|---|---|---|---|---|---|
| 21 Moorfields, EC2 | Office | 564 | Oct 2022 | 38 | 733 | 116 | 849 | 4.5 |
| The Forge, SE1 | Office/retail | 140 | Dec 2022 | 10 | 115 | 42 | 158 | 6.3 |
| Lucent, W1 | Office/retail/residential | 144 | Mar 2023 | 14 | 159 | 62 | 222 | 6.3 |
| n2, SW1 | Office | 167 | Jun 2023 | 14 | 104 | 105 | 209 | 6.7 |
| **Total** | | **1,015** | | **76** | **1,111** | **325** | **1,437** | |

### Future Central London development pipeline

Table 7

| Property | Sector | Proposed sq ft '000 | Indicative TDC £m | Indicative ERV £m | Gross yield on TDC % | Potential start date | Planning status |
|---|---|---|---|---|---|---|---|
| **Near-term** | | | | | | | |
| Timber Square, SE1 | Office | 380 | 400 | 26 | 6.5 | H2 2022 | Consented |
| Liberty of Southwark, SE1 | Office/residential | 200 | 240 | 13 | 6.1[1] | H2 2022 | Consented |
| Portland House, SW1 | Office | 295 | 400 | 25 | 6.3 | H2 2022 | Consented |
| Red Lion Court, SE1 | Office | 235 | 320 | 20 | 6.2 | H2 2023 | Planning application |
| **Total near-term** | | **1,110** | **1,360** | **84** | **6.3** | | |
| **Longer-term** | | | | | | | |
| Nova Place, SW1 | Office | 40 | | | | 2023 | Design |
| Hill House, EC4 | Office | 310 | | | | 2024 | Design |
| Old Broad Street, EC2 | Office | 290 | | | | 2025 | Design |
| **Total longer-term** | | **640** | | | | | |
| **Total future pipeline** | | **1,750** | | | | | |

1. Gross yield on cost adjusted for residential TDC.

### Mixed-use urban neighbourhoods development pipeline

Table 8

| Property | Landsec share % | Proposed sq ft '000 | Earliest start on site | Number of blocks | Estimated first/total scheme completion | Indicative TDC £m | Target yield on cost % | Planning status |
|---|---|---|---|---|---|---|---|---|
| Mayfield, Manchester | 50 | 2,500 | 2022 | 18 | 2025/2032 | 750-900 | 6.5-7.0 | Consented |
| MediaCity, Greater Manchester | 75 | 1,900 | 2023 | 8 | 2025/2030 | 500-600 | 6.5-7.0 | Consented |
| Finchley Road, NW3 | 100 | 1,400 | 2023 | 10 | 2026/2033 | 900-1,100 | 5.5-6.0 | Application |
| Buchanan Galleries, Glasgow | 100 | 1,400 | 2024 | 11 | 2027/2031 | 550-700 | 6.5-7.0 | Design |
| Lewisham, SE13 | 100 | 1,800 | 2024 | 14 | 2028/2037 | 1,000-1,200 | 5.5-6.0 | Design |
| **Total future pipeline** | | **9,000** | | | | **3,700-4,500** | | |