

# OUR HALF YEAR RESULTS

for 30 September 2024

@LandsecGroup  
Landsec.com



# Half year results 2024

**Mark Allan**

CHIEF EXECUTIVE OFFICER

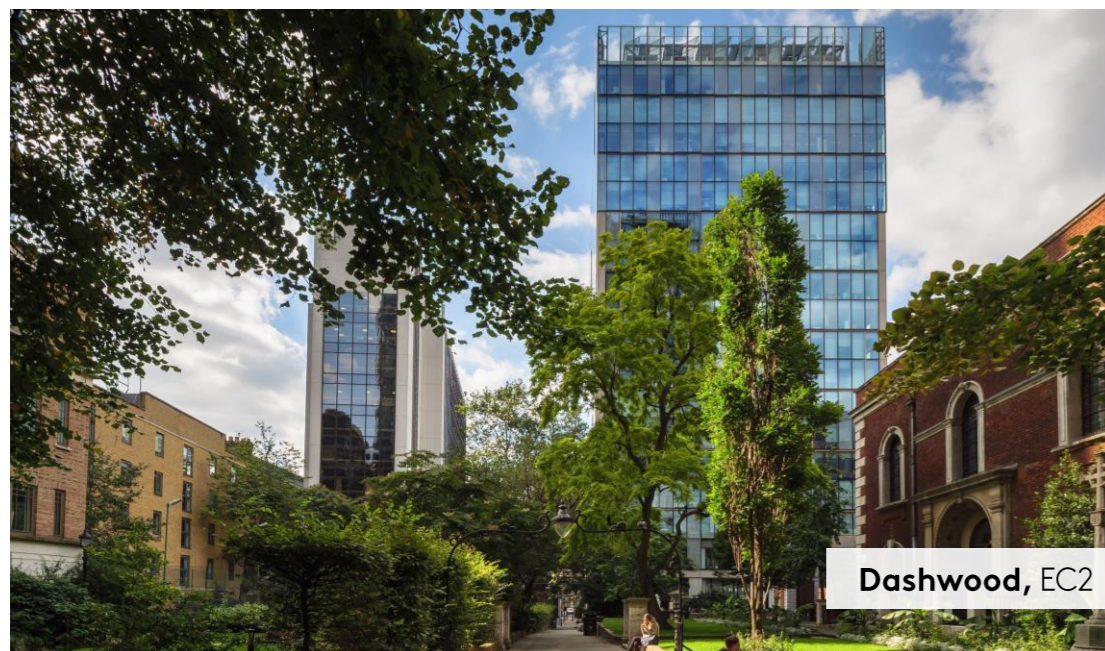




# Strategic focus is delivering

## Positive first half of year with clear future growth potential

### High quality portfolio underpins growth



- › Customers focussed firmly on best space
- › Occupancy and rents continue to grow
- › Portfolio materially outperforming

### Delivering attractive income-led total returns



- › LFL net rental income +3.4%
- › ROE over first six months +3.9%
- › Increase in EPS guidance

### Capitalising on accretive growth potential



- › Further expansion in major retail
- › On-site with c. £850m London projects
- › Ability to invest £1bn+ in residential by 2030

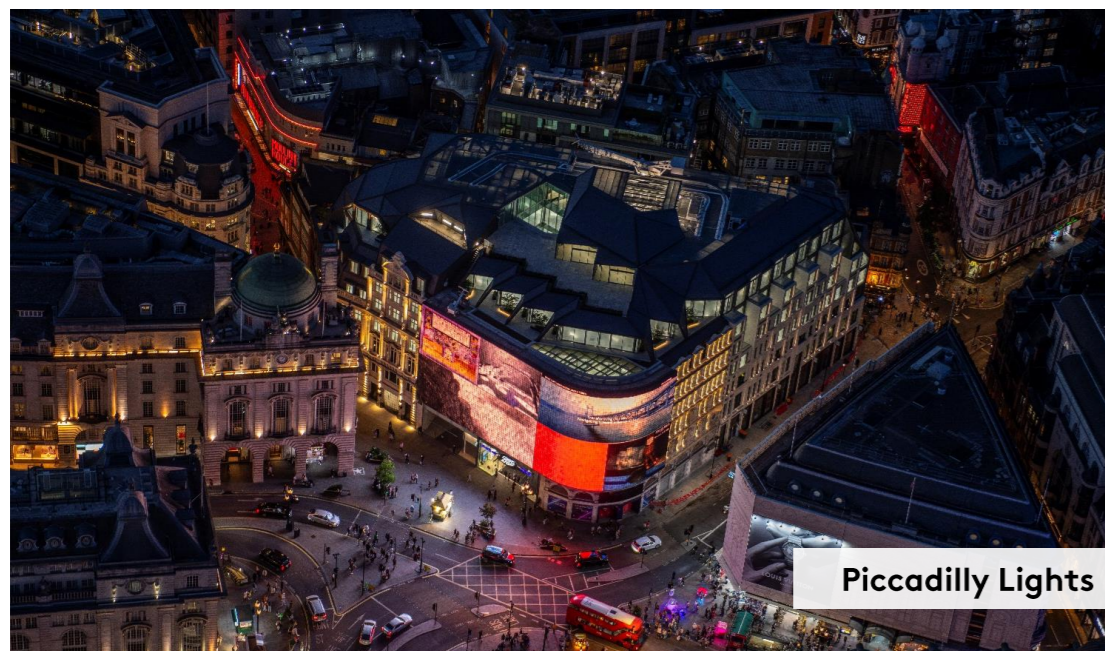
WELL PLACED TO GROW ATTRACTIVE 5.8% INCOME RETURN AND DELIVER ON 8-10% ROE TARGET



# Portfolio and pipeline set for growth

Positive rent reversions plus substantial development opportunity

## Central London



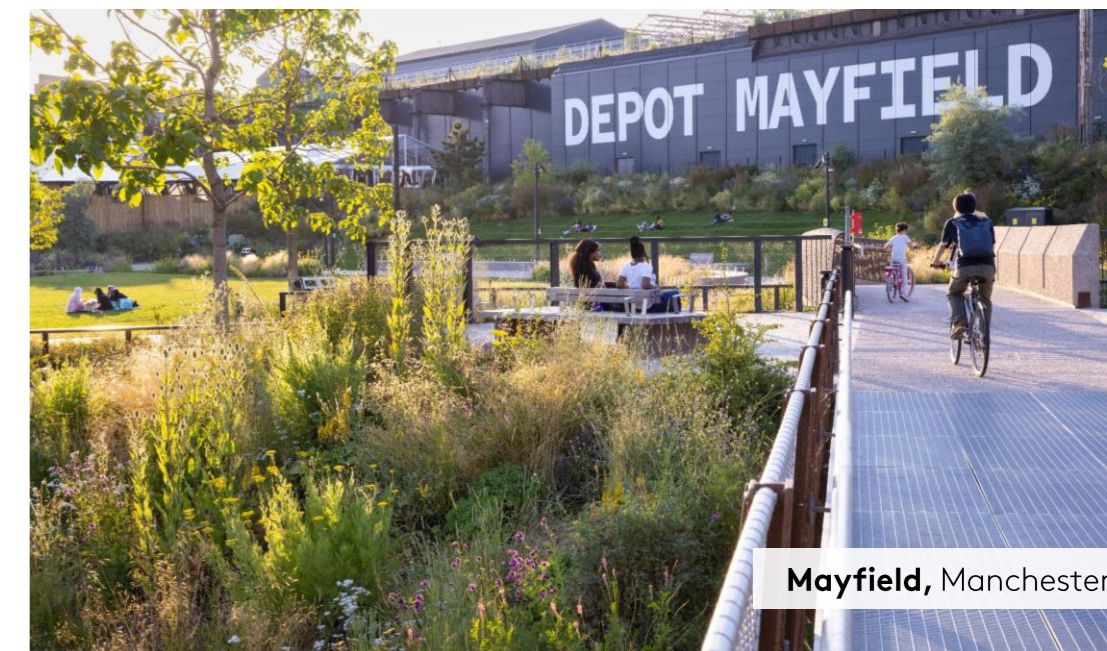
- › £16m of lettings 3% above ERV
- › 7% uplift on relettings/renewals
- › Occupancy +60bps to 97.9%
- › LFL net rental income +5.5%

## Major retail



- › £26m of lettings 7% above ERV
- › 4% uplift on relettings/renewals
- › Occupancy +70bps to 96.0%
- › LFL net rental income +3.1%

## Future pipeline



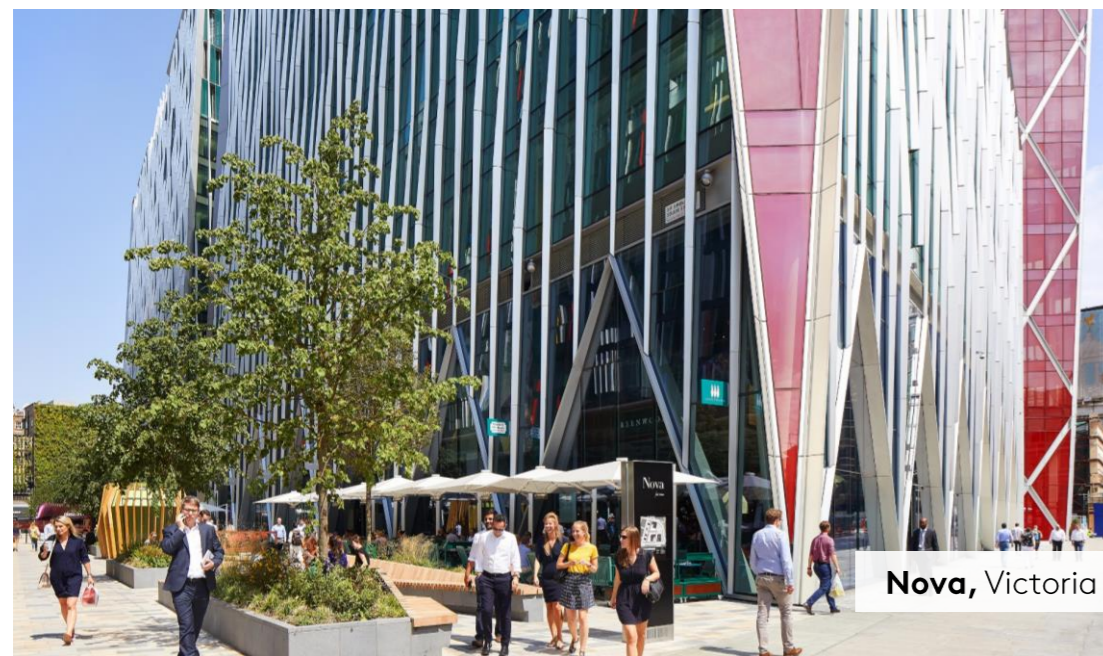
- › Preparing for start on site at Finchley Road
- › New development agreement at Mayfield
- › Planning submitted at Lewisham
- › Potential for 6,000+ homes



# Investment markets improving

Demand starting to return for best assets as rents continue to grow

## Values return to modest growth



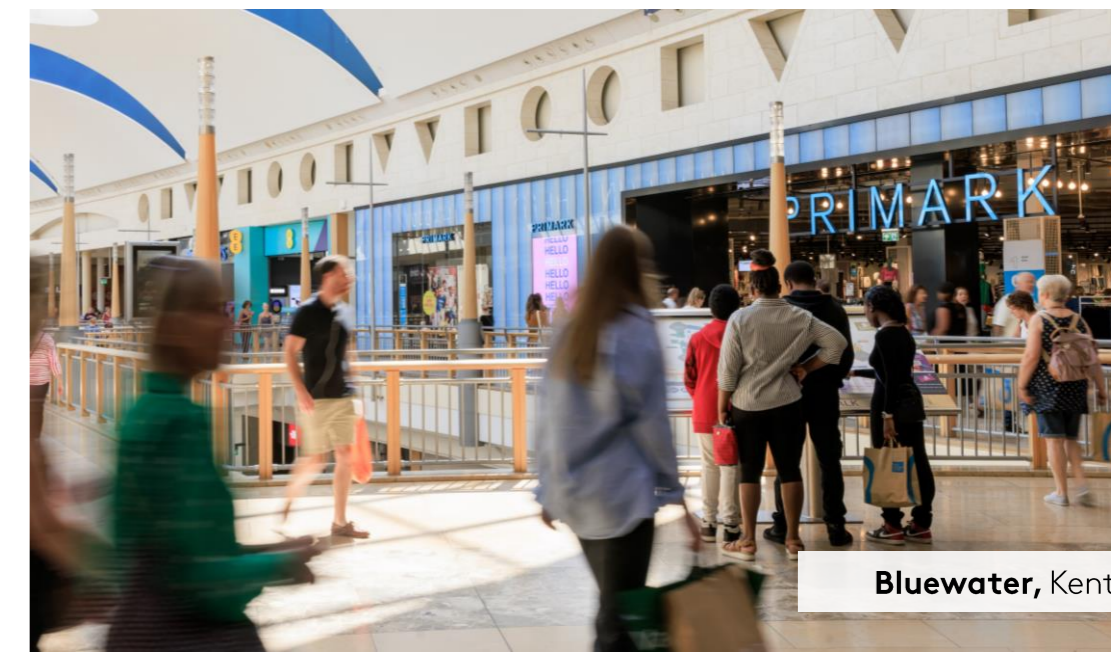
- › Portfolio value +0.9%
- › Overall yields stable
- › Continued ERV growth

## Accretive capital recycling



- › Sold £464m non-core assets
- › Reinvested £226m in expanding key places
- › Expect further reinvestment in retail in H2

## Strong capital base to support growth



- › 34.9% LTV at attractive point in cycle
- › Low 7.4x ND/EBITDA
- › 10-year average debt maturity



# Positive financial results

Raising EPS guidance due to higher LFL growth and cost efficiencies

	30 September 2024	30 September 2023	Change
EPRA earnings	<b>£186m</b>	£198m	<b>+£1m / +0.1p adjusted for surrenders</b>
EPRA EPS	<b>25.0p</b>	26.7p	
Dividend per share	<b>18.6p</b>	18.2p	+2.2%
Total return on equity	<b>+3.9%</b>	-2.4%	n/a
	30 September 2024	31 March 2024	
EPRA NTA per share	<b>871p</b>	859p	+1.4%
LTV	<b>34.9%</b>	35.0%	-0.1%
Net debt / EBITDA (period-end)	<b>7.4x</b>	7.4x	-
Energy intensity vs 2019/20 baseline	<b>-19%</b>	-18%	-2%
Portfolio rated EPC A-B	<b>52%</b>	49%	



# Operational review

**Mark Allan**

CHIEF EXECUTIVE OFFICER



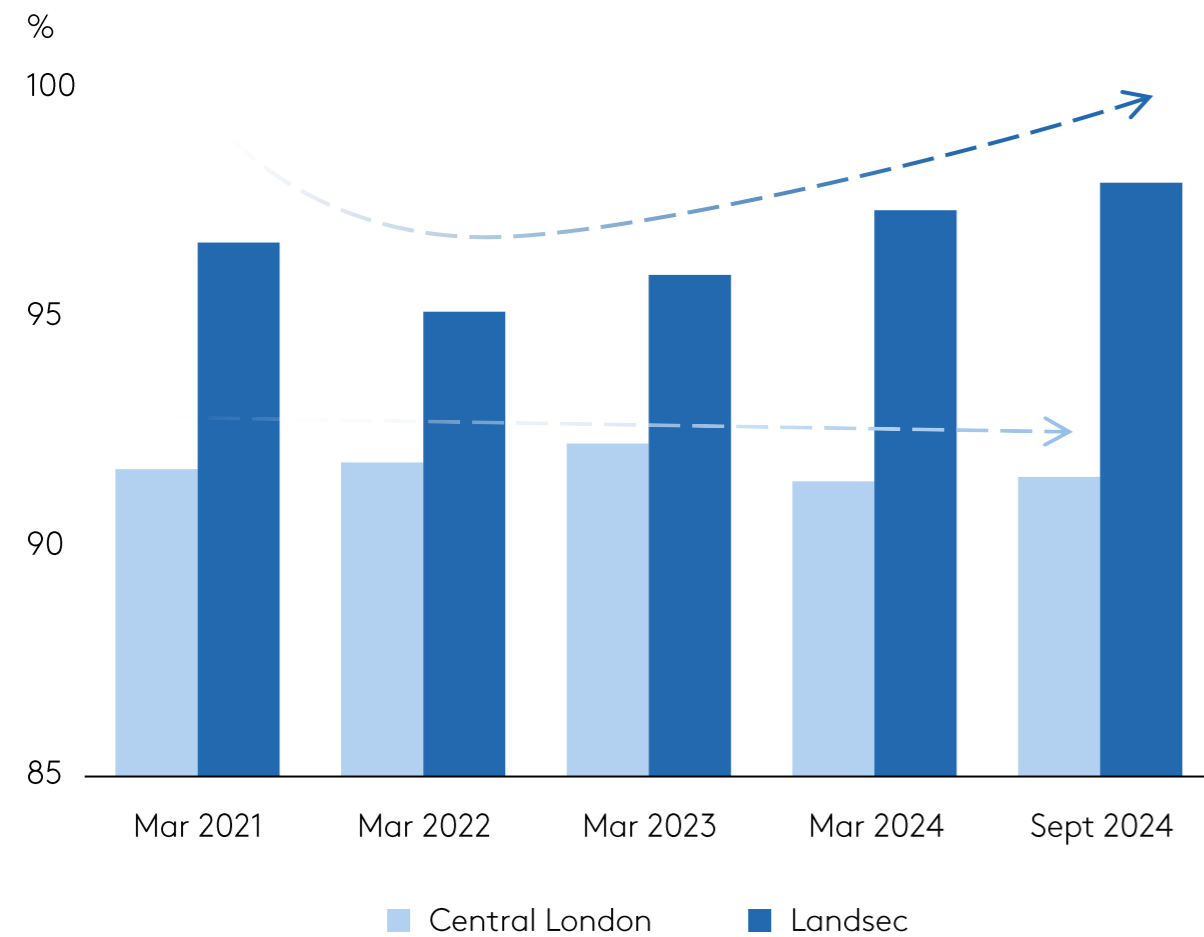


# Focus on quality underpins income/value growth

## Customers focused on best space in each market

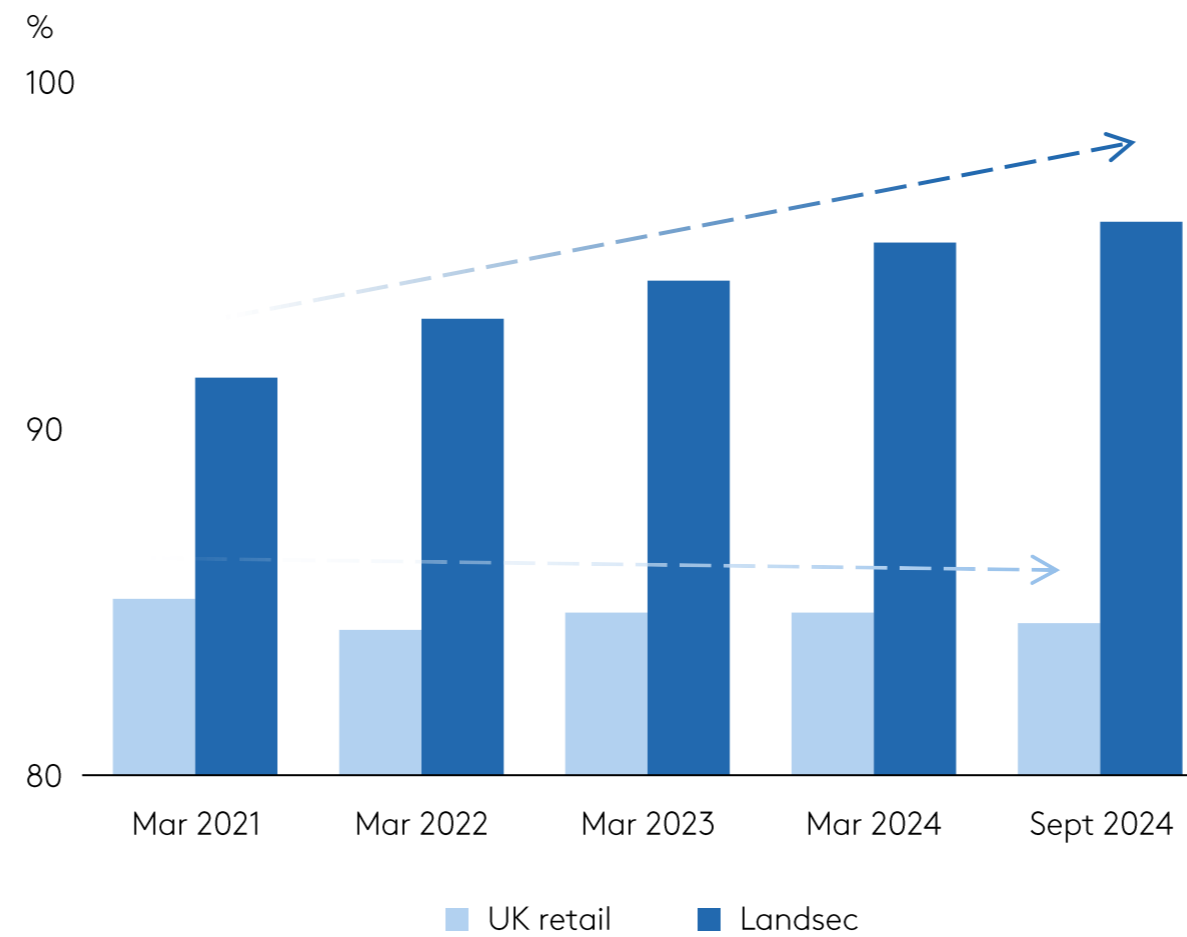
### Central London – 65% of portfolio

Landsec occupancy vs overall London office market - CBRE



### Major retail destinations – 20% of portfolio

Landsec occupancy vs overall UK retail market - LDC



### Future pipeline

£2bn+

Highly sustainable offices in City, Victoria & Southbank

6,000+

Homes in high-growth areas in Manchester & London

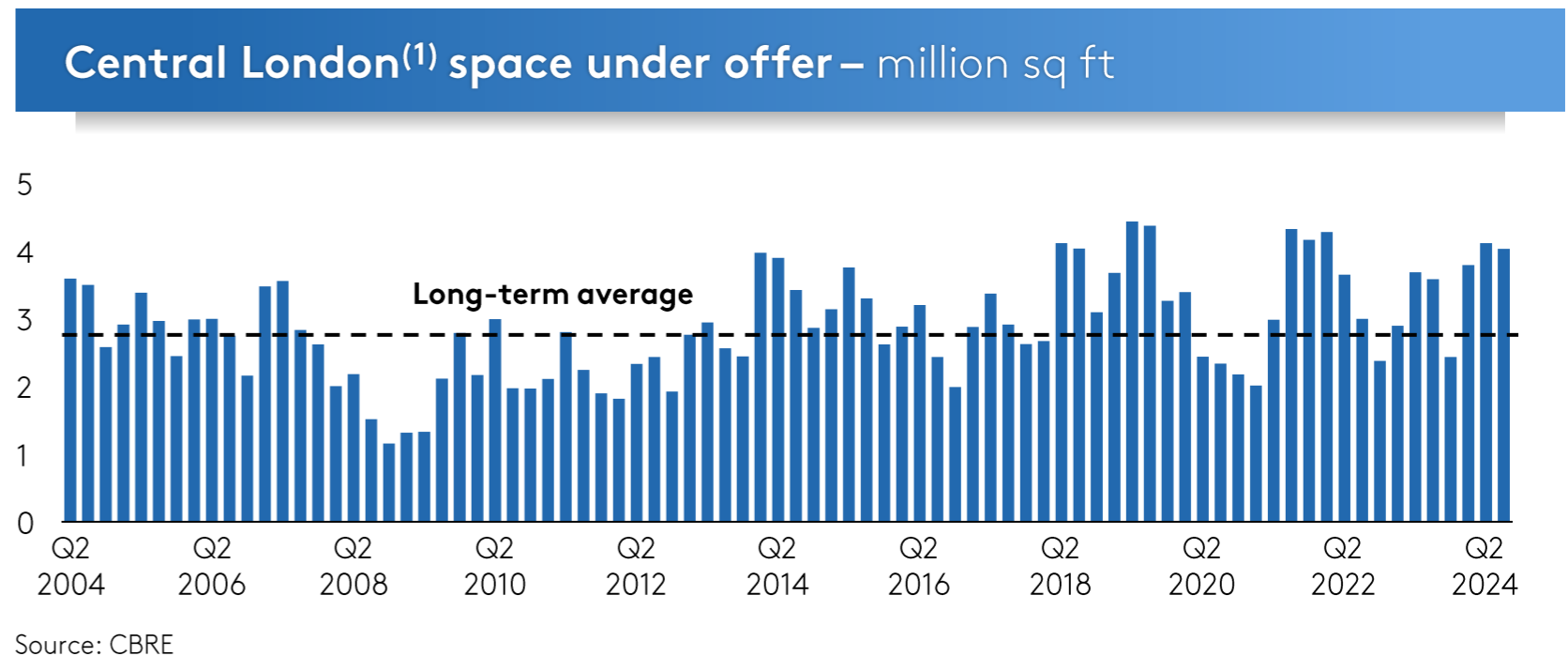
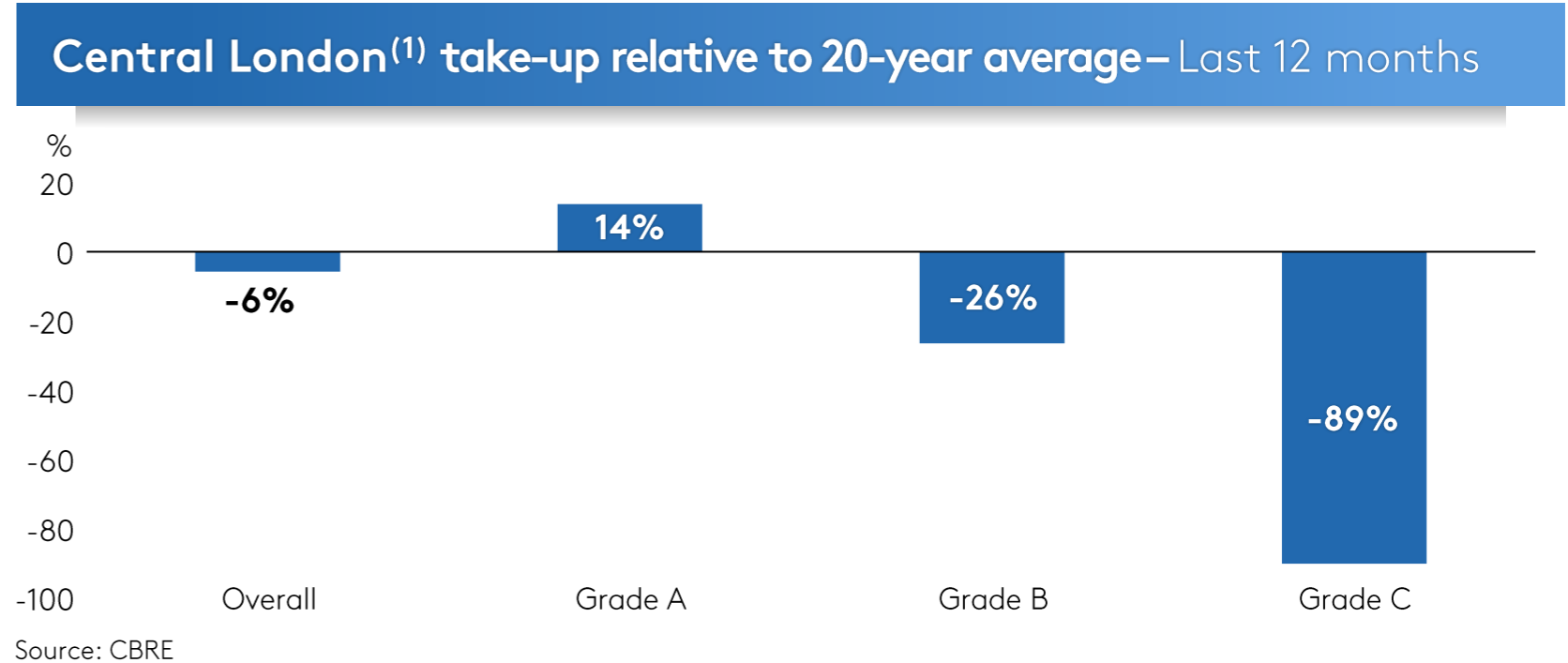
### THREE KEY COMPETITIVE ADVANTAGES

HIGH QUALITY PORTFOLIO – STRONG CUSTOMER RELATIONSHIPS – ABILITY TO UNLOCK COMPLEX OPPORTUNITIES

# Central London

## Robust demand for high-quality space in right locations

- › Customers focused on best-in-class space
- › Sustainability, connectivity and amenities remain key factors in decision making
- › Limited supply of best-in-class space
- › New record rents in our markets
- › Take-up of Grade A space 14% above LT average
- › Space under offer 40% above LT average



(1) West End, Midtown, City & Southbank

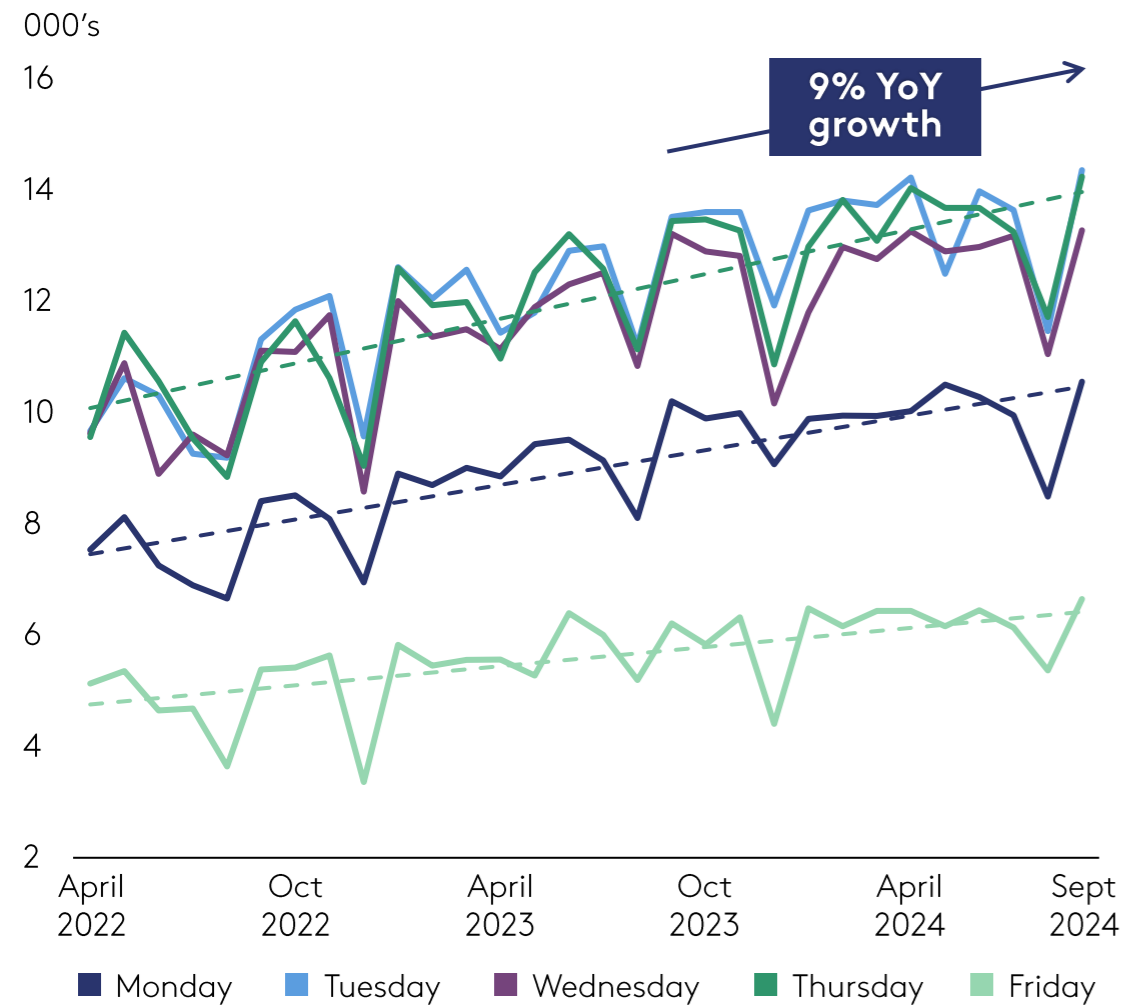


# Central London

## Growing utilisation and de-densification supports ongoing demand

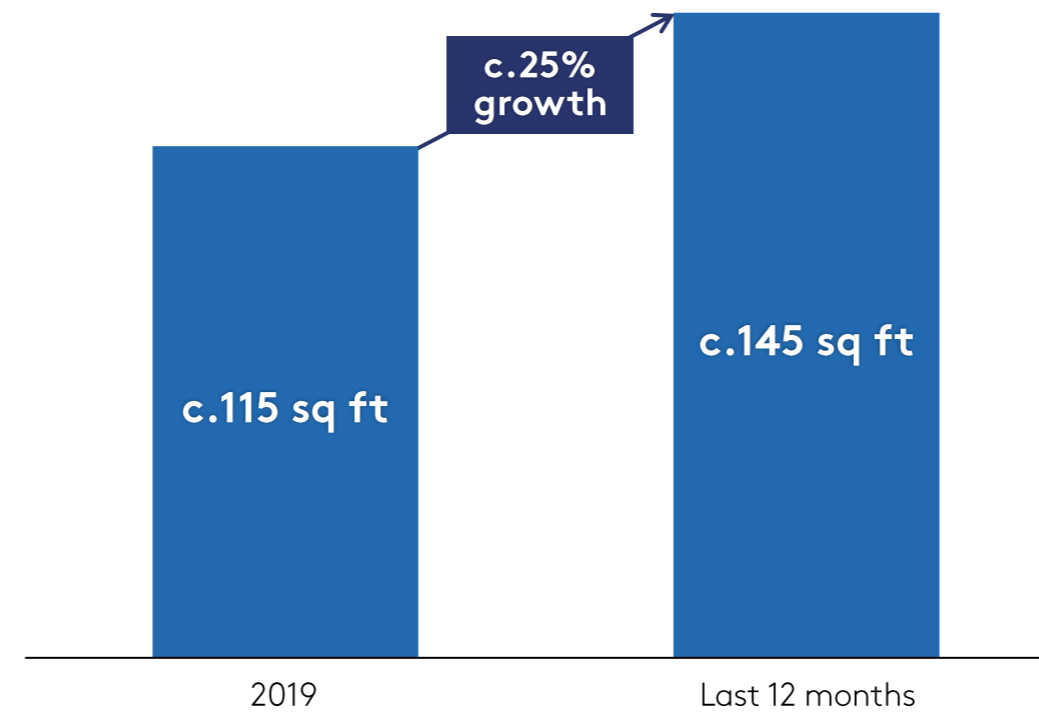
### Office utilisation still trending higher

Unique daily turnstile tap-ins across Landsec portfolio



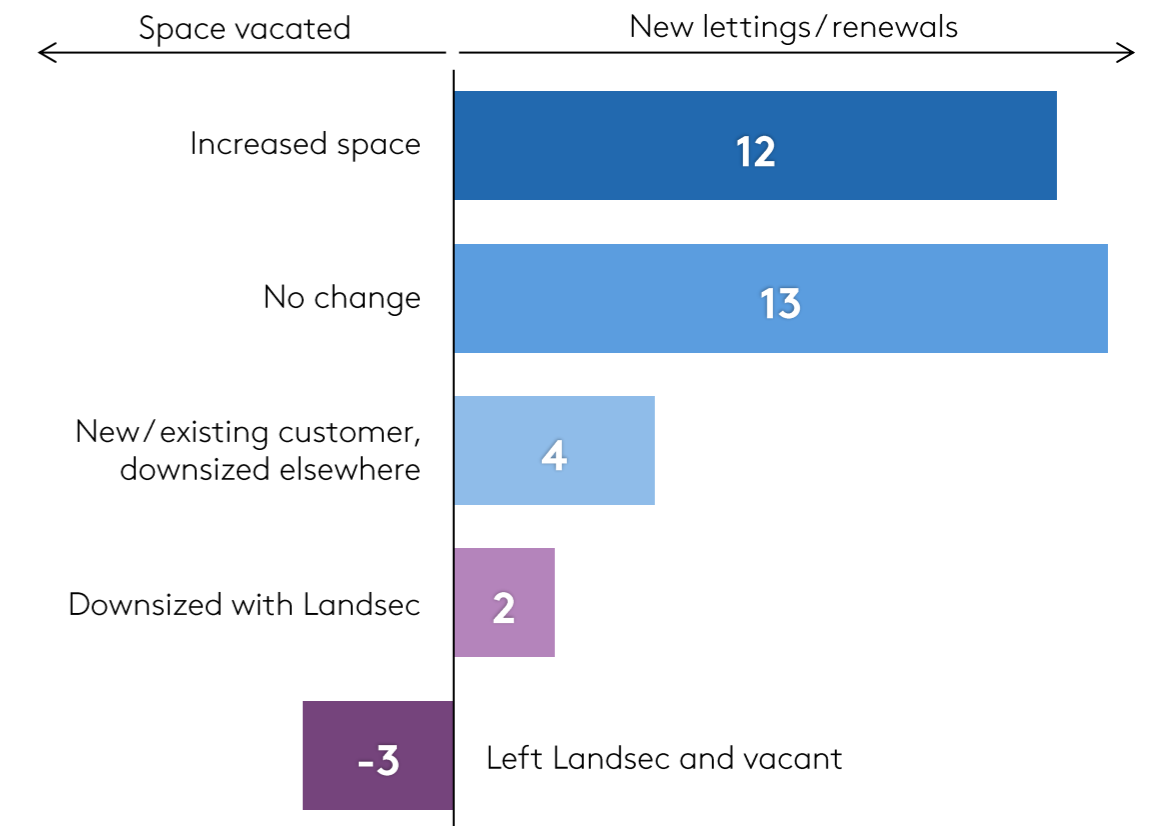
### Customers planning for more space

Average sq ft / person for leases signed with Landsec



### More upsizing than downsizing

Landsec leasing activity over last 12 months



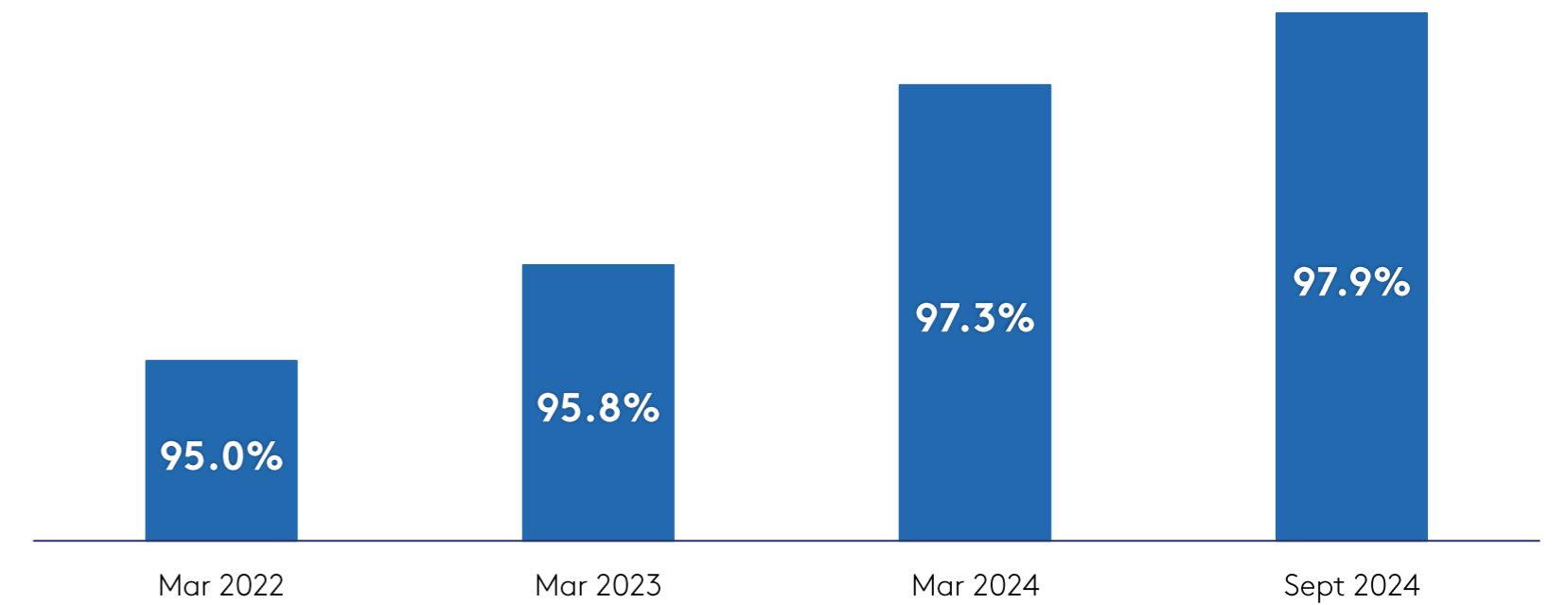
ROBUST CUSTOMER DEMAND DRIVES CONTINUED RENTAL GROWTH

# Central London

## Continued positive operational performance

- › £9m of rent signed, 4% ahead of ERV
- › £8m of rent ISH, 3% above ERV
- › 7% uplifts on relettings/renewals
- › Occupancy +60bps to 97.9% vs 91.5% for market
- › Newly opened Myo locations in active lease-up
- › 2.2% ERV growth, on track vs guidance

### Best-in-class assets with high occupancy

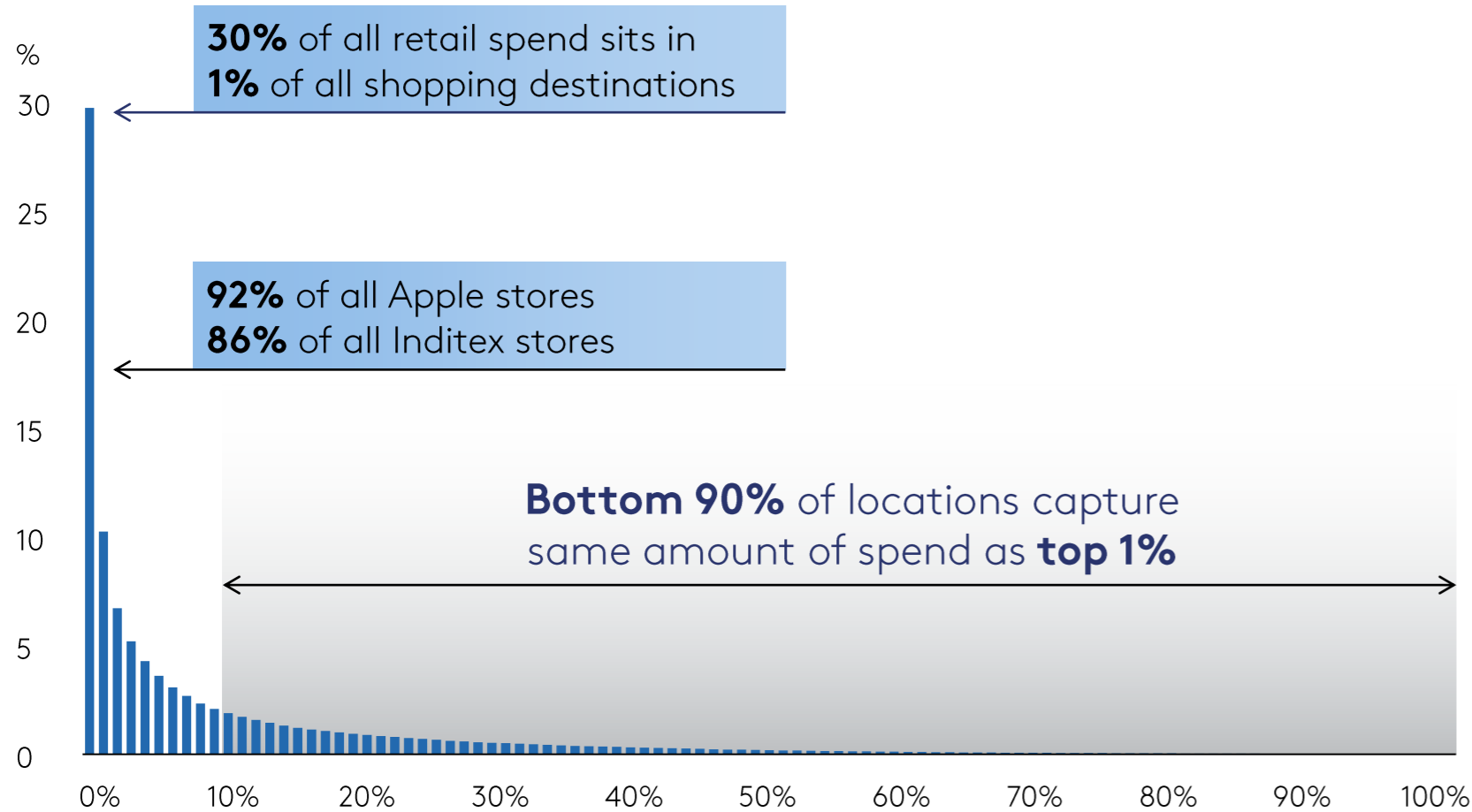




# Major retail destinations

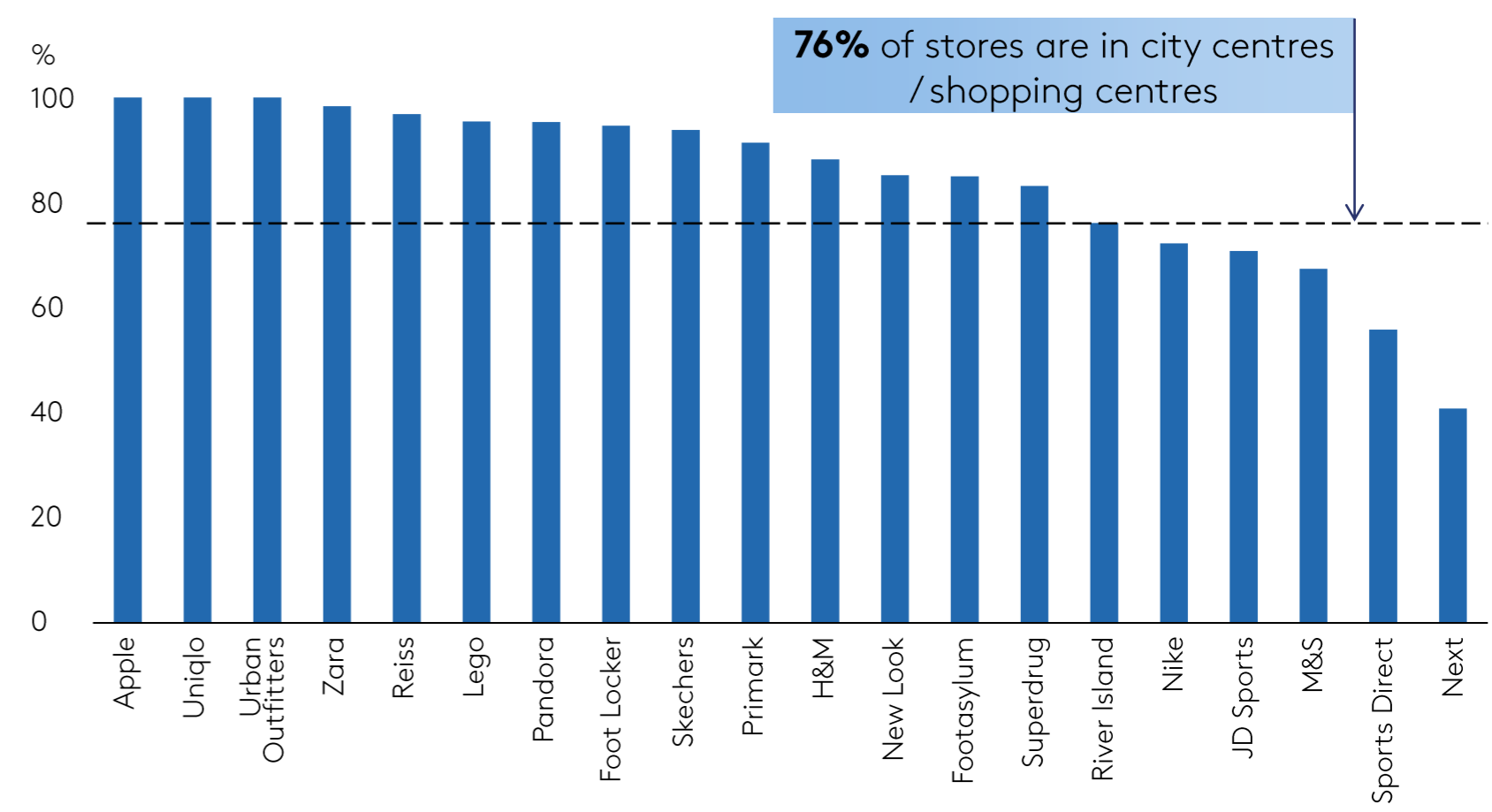
Brands focused on best access to consumer spend

## Retail spend concentrated in small number of locations



Source: CACI – Shopping destinations ranked by potential non-food, in-store retail spend

## Brands' stores concentrated in city centres / shopping centres



Source: LDC – Percentage of stores in city centres / shopping centres

CITY CENTRES, SHOPPING CENTRES AND OUTLETS MAKE UP 95% OF TOP 1% DESTINATIONS

SALES DENSITIES IN KEY SHOPPING DESTINATIONS WELL AHEAD OF AVERAGE RETAIL LOCATIONS

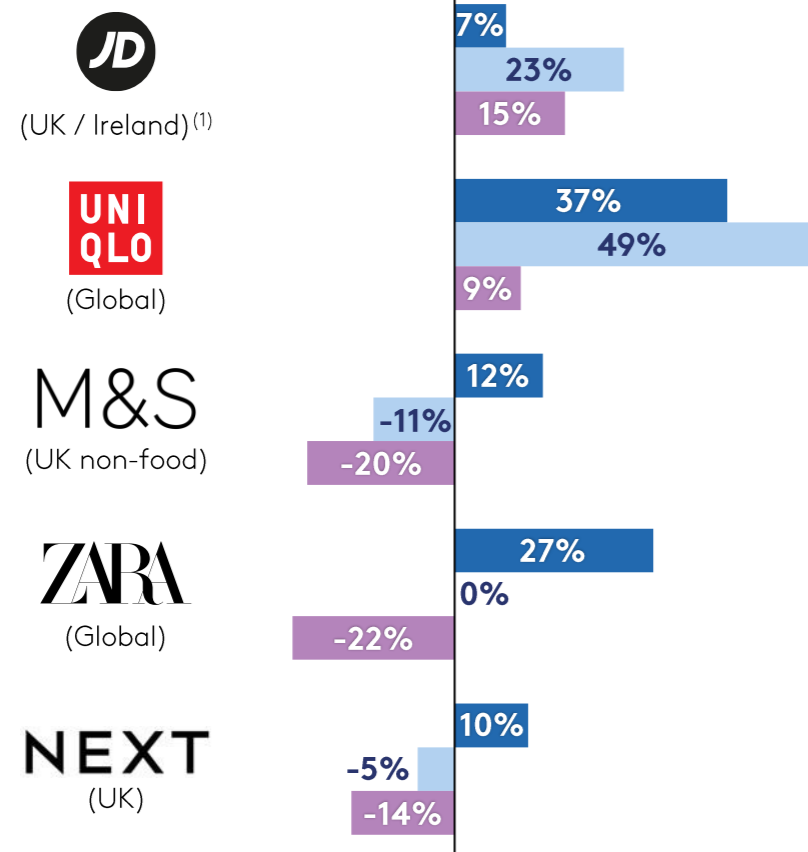
# Major retail destinations

Continued shift towards fewer, bigger, better stores

## Stores c. 20% bigger than five years ago

Change in brands' store portfolios since 2018

■ Average store size ■ Total store space ■ Number of stores

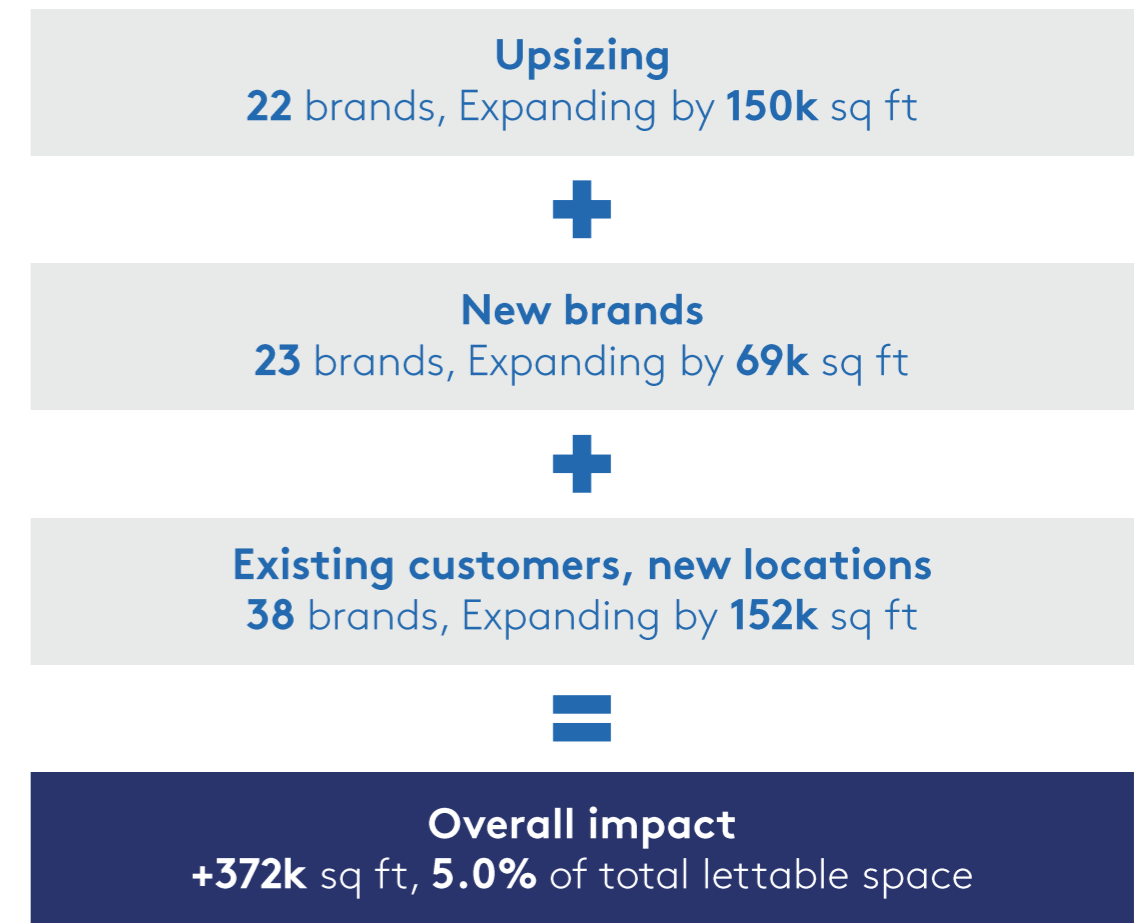


## Growing demand in our portfolio



## Continued strong leasing activity

Last six months plus live deals



1) 2023 data

STRONG DEMAND FOR OUR LOCATIONS DRIVING RENTAL INCOME GROWTH

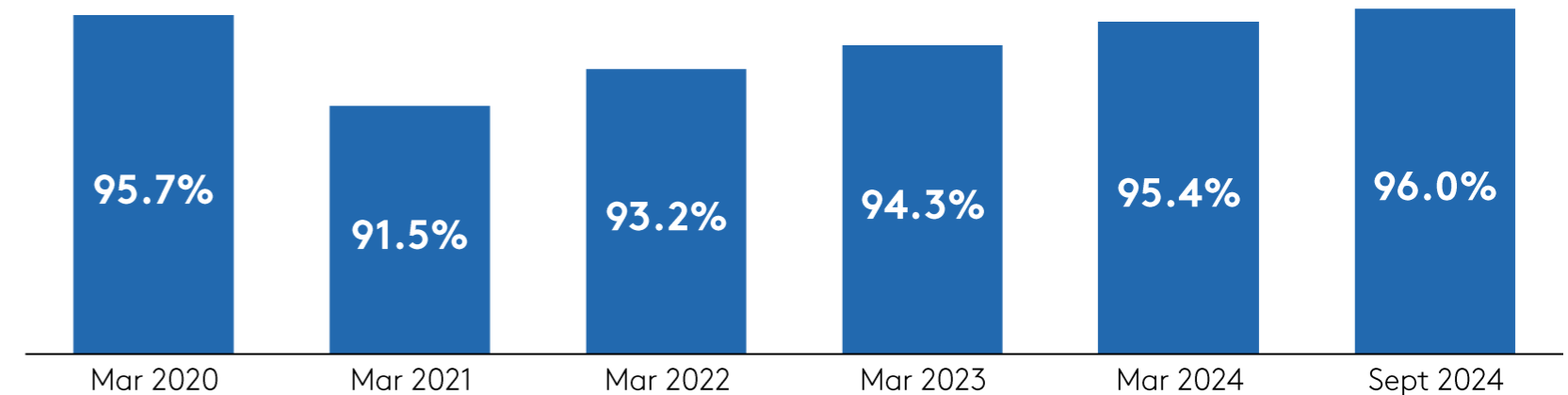


# Major retail destinations

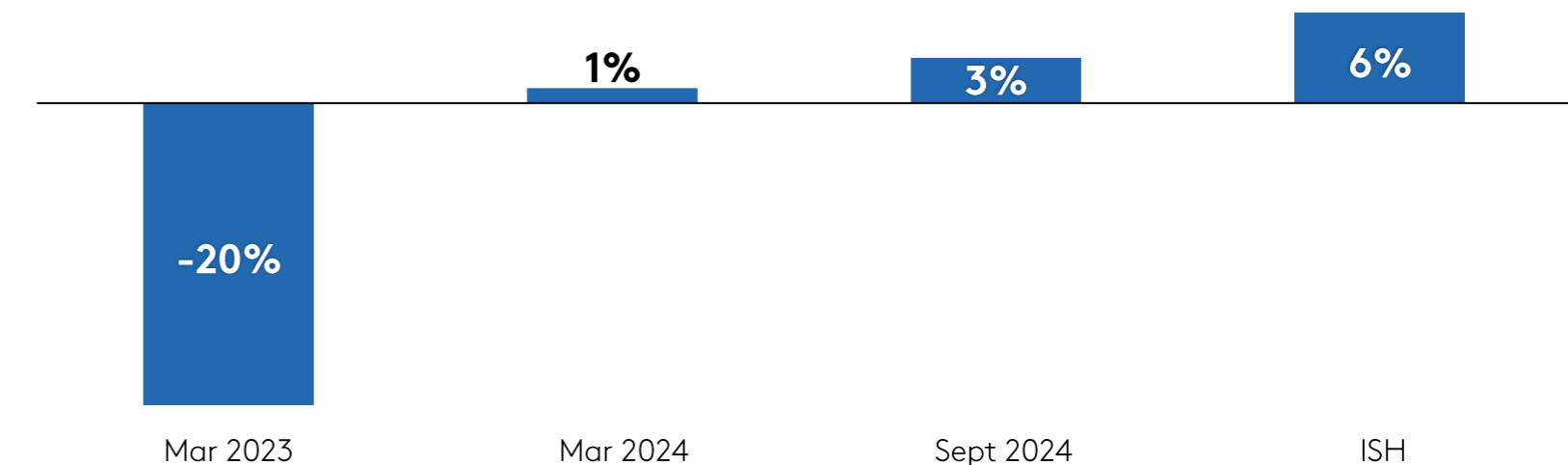
## Increasing uplifts on relettings/lease renewals

- › YTD retail sales +2.5%
- › Footfall -1.3% YoY, partly due to timing of Easter
- › £12m of lettings, 5% above ERV
- › £14m of lettings ISH, 9% above ERV
- › Like-for-like occupancy +70bps to 96.0%
- › 30% of overall Group income, with rental uplifts on relettings/renewals building
- › Valuers' ERV growth of 1.7% on track vs guidance

### Major retail destinations occupancy ahead of pre-pandemic levels



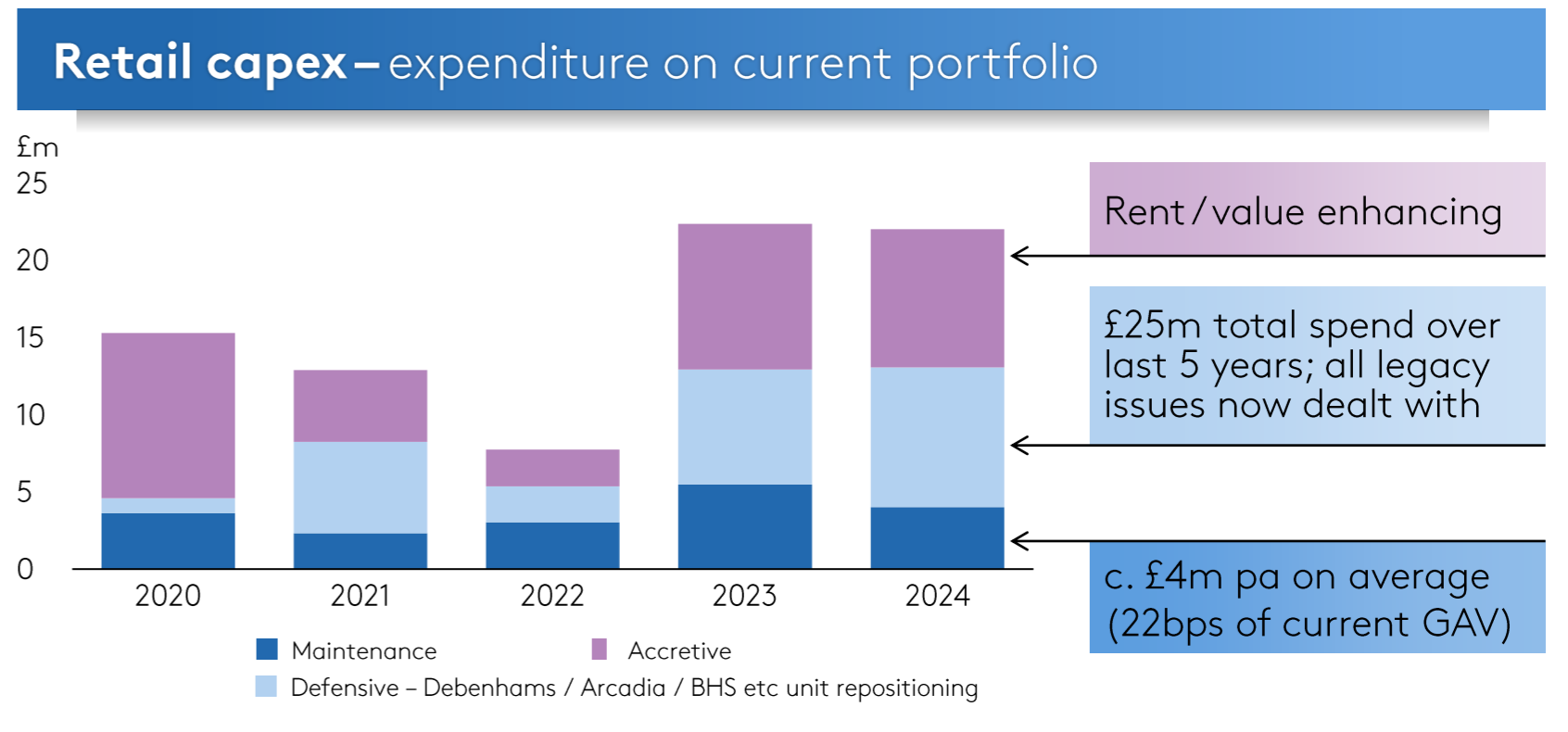
### Capturing growing rent reversions – Leasing vs previous passing rent



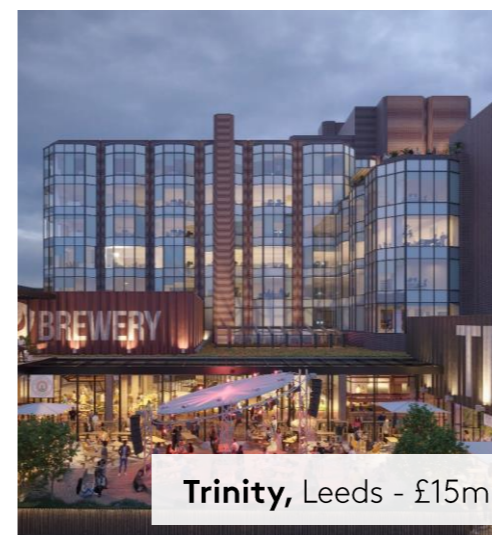
# New investment – Major retail destinations

## Attractive returns with accretive growth potential

- › Day-one income return of 7-8% with growing rents
- › Values well below replacement cost
- › Limited maintenance capex, having repositioned space from larger tenant failures post Covid
- › Expect to invest more in accretive capex, with mid-teens IRRs on near-term projects
- › Majority pre-let, with blended yield on cost of c. 10%
- › Return on overall future capex including maintenance spend c. 10%



### Case studies of current / near-term retail projects with mid-teens IRRs





# New investment – Central London

## Significant pipeline of highly sustainable space

### Two schemes on site with expected completion in late 2025



Timber Square, Southbank

383,000 sq ft

£442m TDC

7.0% gross yield on cost  
10%+ yield on capex



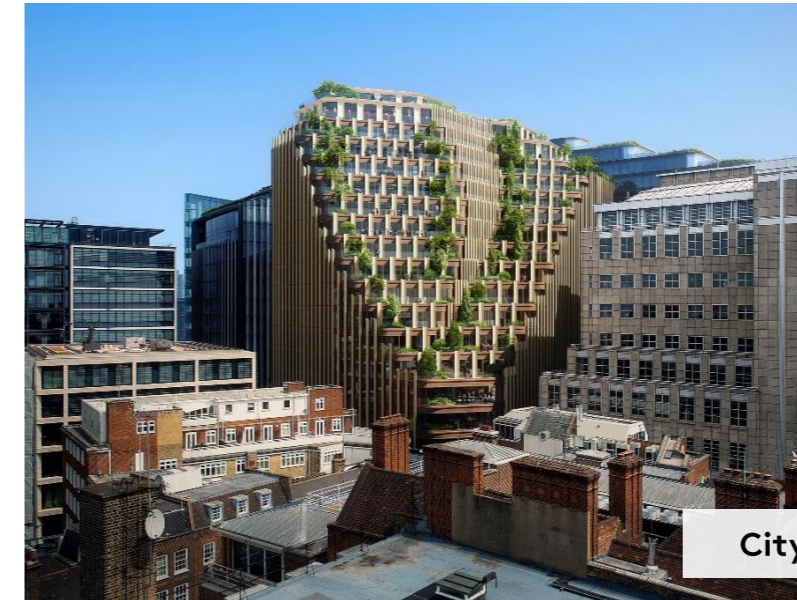
Thirty High, Victoria

299,000 sq ft

£416m TDC

7.2% gross yield on cost  
13%+ yield on capex

### Future development potential



City

2 sites – 0.7m sq ft

c. £1.0bn TDC

2028-30 delivery



Southbank

4 sites – 0.9m sq ft

c. £1.1bn TDC

2027-30 delivery

ATTRACTIVE OPTIONALITY IN SUPPLY-CONSTRAINED MARKET



# New investment – Residential

## Growing visibility on 6,000+ homes pipeline in well-connected locations

Started preparations on site



1,800 homes

Outline/detailed consent

Start by 2026; phased delivery 2028-2035

Renegotiated development agreement



1,700 homes

Outline consent

Start by 2026; phased delivery 2029-2034

Submitted masterplan



2,800 homes, incl. student/co-living

Planning application submitted

Start by 2027; phased delivery 2029-2035

POTENTIAL TO INVEST £1BN+ BY 2030 AND C. £3BN OVER NEXT DECADE

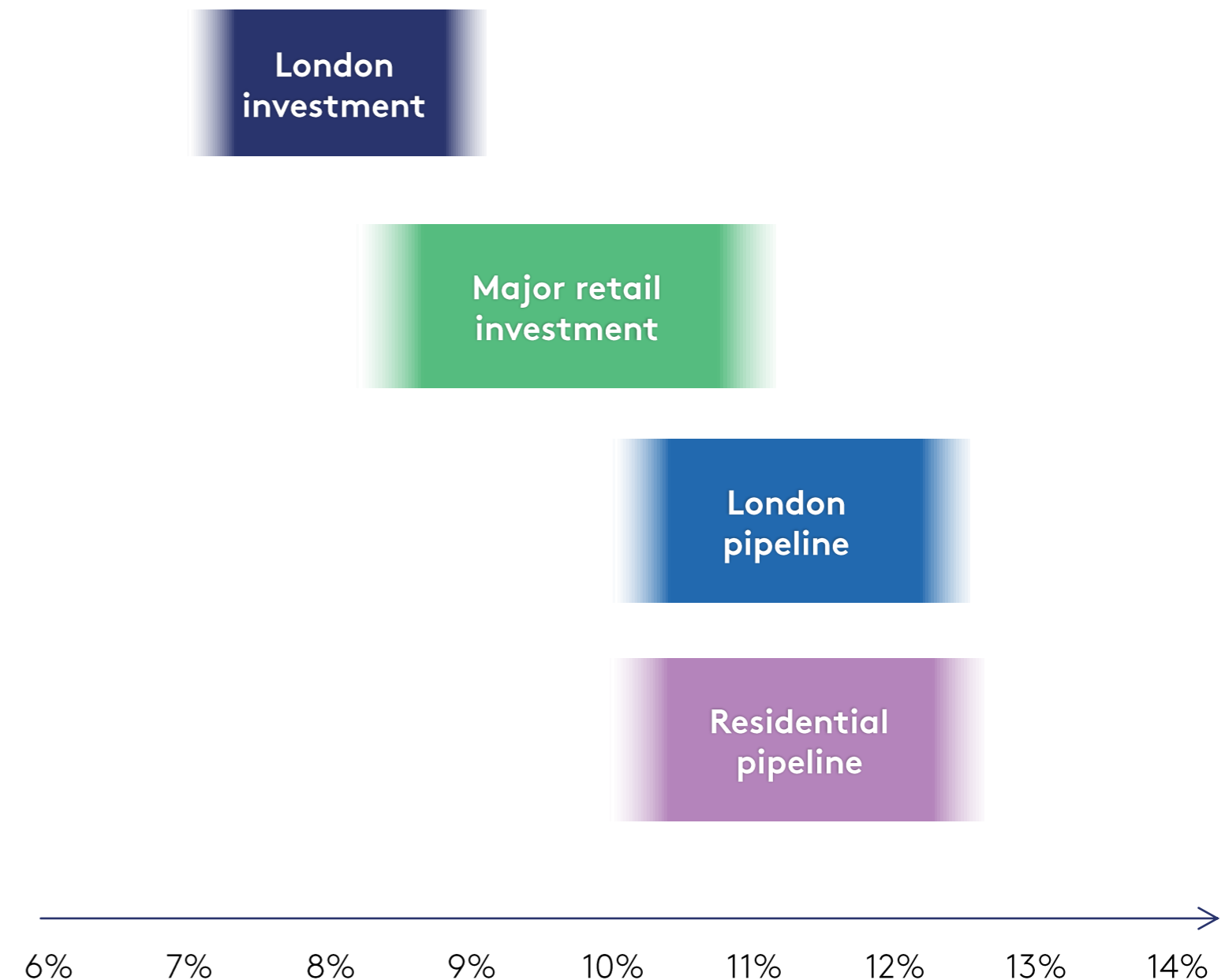


# Capital allocation

## Clear view on risk/return prospects

- › Major retail delivers most attractive risk/return
- › Positive outlook for prime London offices reflecting relatively attractive yields and rental growth
- › Rents for new office space rising, yet build cost and exit yields are higher too
- › Focused regional pipeline on residential
- › Development returns in residential returns more attractive given lower risk profile
- › Confident in deploying more capital into major retail in second half

### Unlevered return expectations – IRR by segment



# Financial review

**Vanessa Simms**

CHIEF FINANCIAL OFFICER



**Landsec**



# Financial summary

Earnings at top end of expectations, as values return to modest growth

	30 September 2024	30 September 2023	Change
Gross rental income <sup>(1)</sup>	<b>£302m</b>	£323m	£13m or 1.7p/share reduction due to lower surrenders
EPRA earnings <sup>(1)</sup>	<b>£186m</b>	£198m	
EPRA earnings per share <sup>(1)</sup>	<b>25.0p</b>	26.7p	
Dividend per share	<b>18.6p</b>	18.2p	2.2%
Total return on equity	<b>3.9%</b>	-2.4%	n/a
	30 September 2024	31 March 2024	
EPRA net tangible assets per share	<b>871p</b>	859p	1.4%
Gross asset value <sup>(1)</sup>	<b>£9,957m</b>	£9,963m	0.9% <sup>(2)</sup>
Group LTV <sup>(1)</sup>	<b>34.9%</b>	35.0%	-0.1%
Net debt/EBITDA (period-end)	<b>7.4x</b>	7.4x	-

(1) Including our proportionate share of subsidiaries and joint ventures

(2) Uplift in portfolio value in H1

# EPRA EPS ahead of guidance

## LFL income growth and efficiency gains offset impact of disposals

- › Net disposals of £0.5bn over past year reduced net rental income by £20m
- › Lower surrenders vs prior year reduced net rental income by £13m, as expected
- › Like-for-like<sup>(1)</sup> net rental income up £7m
- › Admin expenses down 10%, with further efficiency improvements expected from next year onwards
- › EPRA cost ratio down 2.2ppt to 20.8%
- › EPRA earnings £186m up £1m vs prior period after adjusting for reduced surrender premiums

	30 September 2024	30 September 2023
	£m	£m
Gross rental income	302	323
Net service charge	(6)	(10)
Direct property expenditure	(36)	(36)
Bad debt	9	5
<b>Net rental income</b>	<b>269</b>	<b>282</b>
Administrative expenses	(34)	(38)
<b>Operating profit</b>	<b>235</b>	<b>244</b>
Finance expense	(49)	(46)
<b>EPRA earnings</b>	<b>186</b>	<b>198</b>
<b>EPRA EPS (pence)</b>	<b>25.0p</b>	<b>26.7p</b>

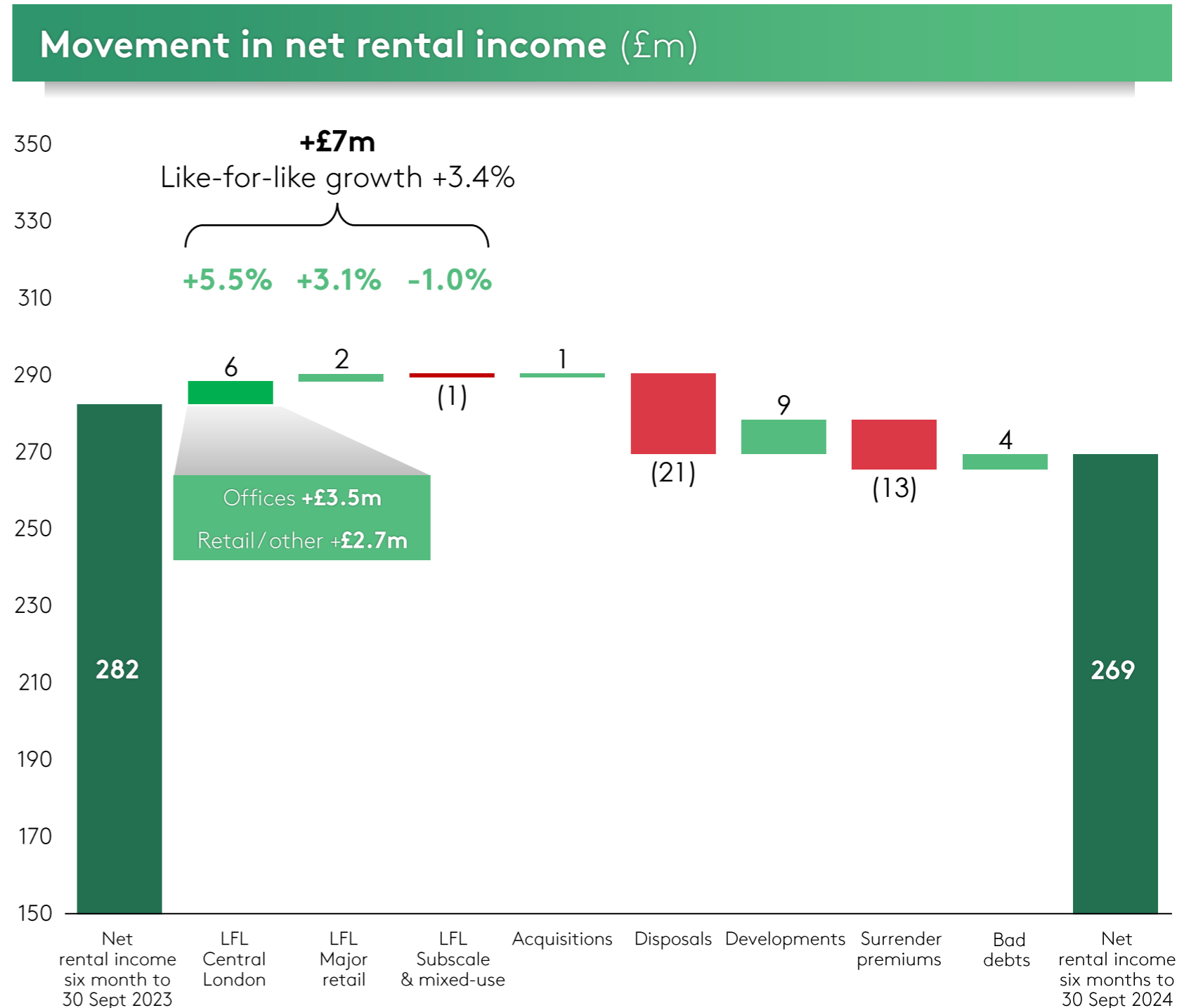
(1) Excluding period-on-period movements in surrender premiums and bad debt provision releases



# Growth in like-for-like net rental income increases to 3.4%

## Increasing outlook for full year growth

- › LFL growth<sup>(1)</sup> ahead of guidance for the full year
- › Agreed 6% uplifts on relettings/renewals
- › Occupancy up 80bps over last twelve months
- › Now expect LFL growth for full year to be closer to 4%, up from initial expectation of c. 2.8%
- › Growing reversionary potential, including in major retail, underpins future LFL growth

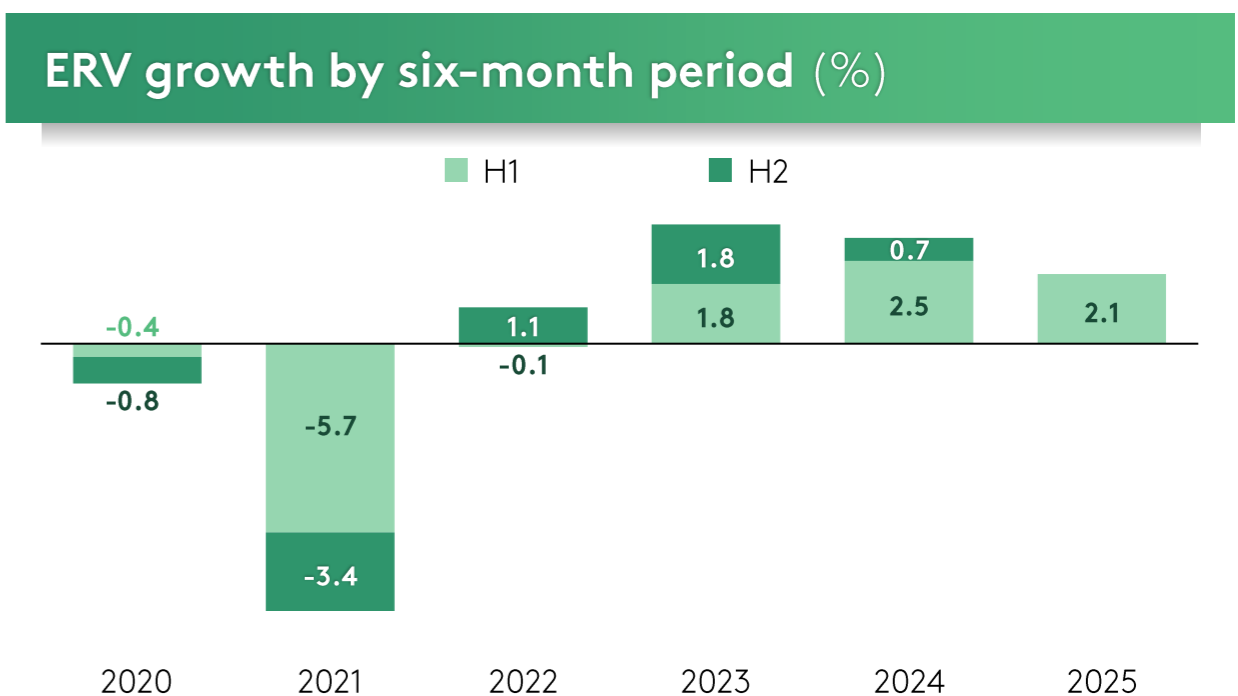
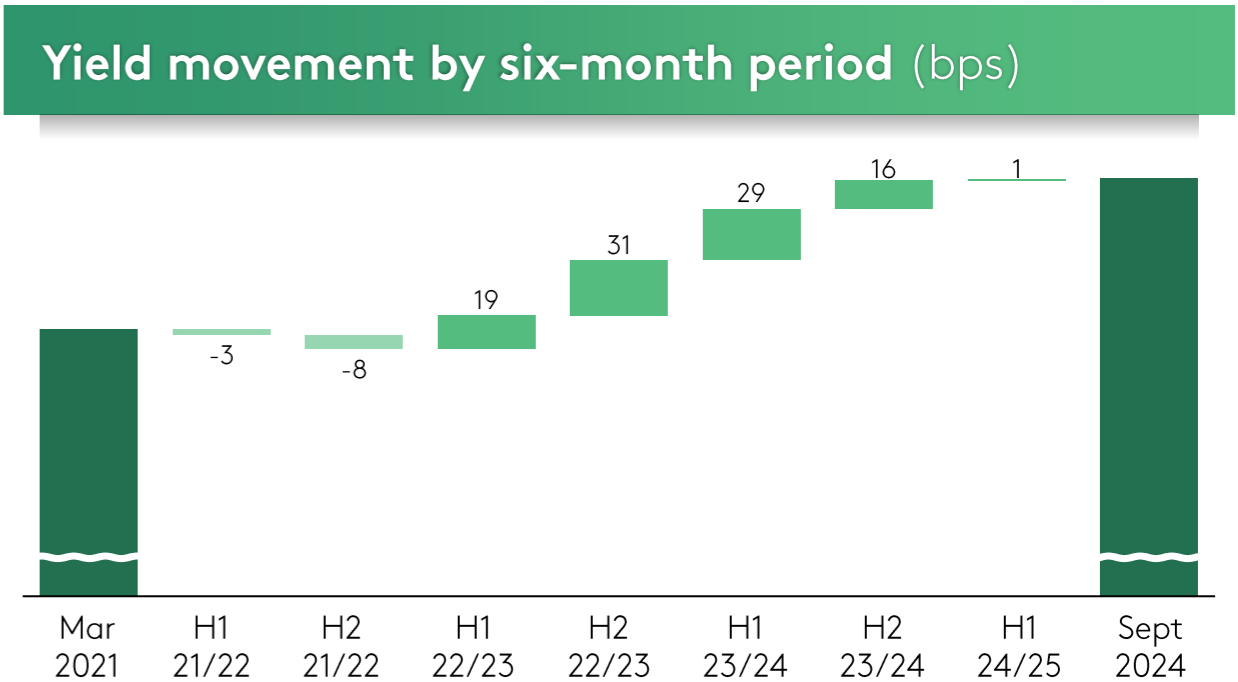


(1) Excluding period-on-period movements in surrender premiums and bad debt provision releases

# Property values return to modest growth

2.1% growth in rental values drives 0.9% increase in capital values

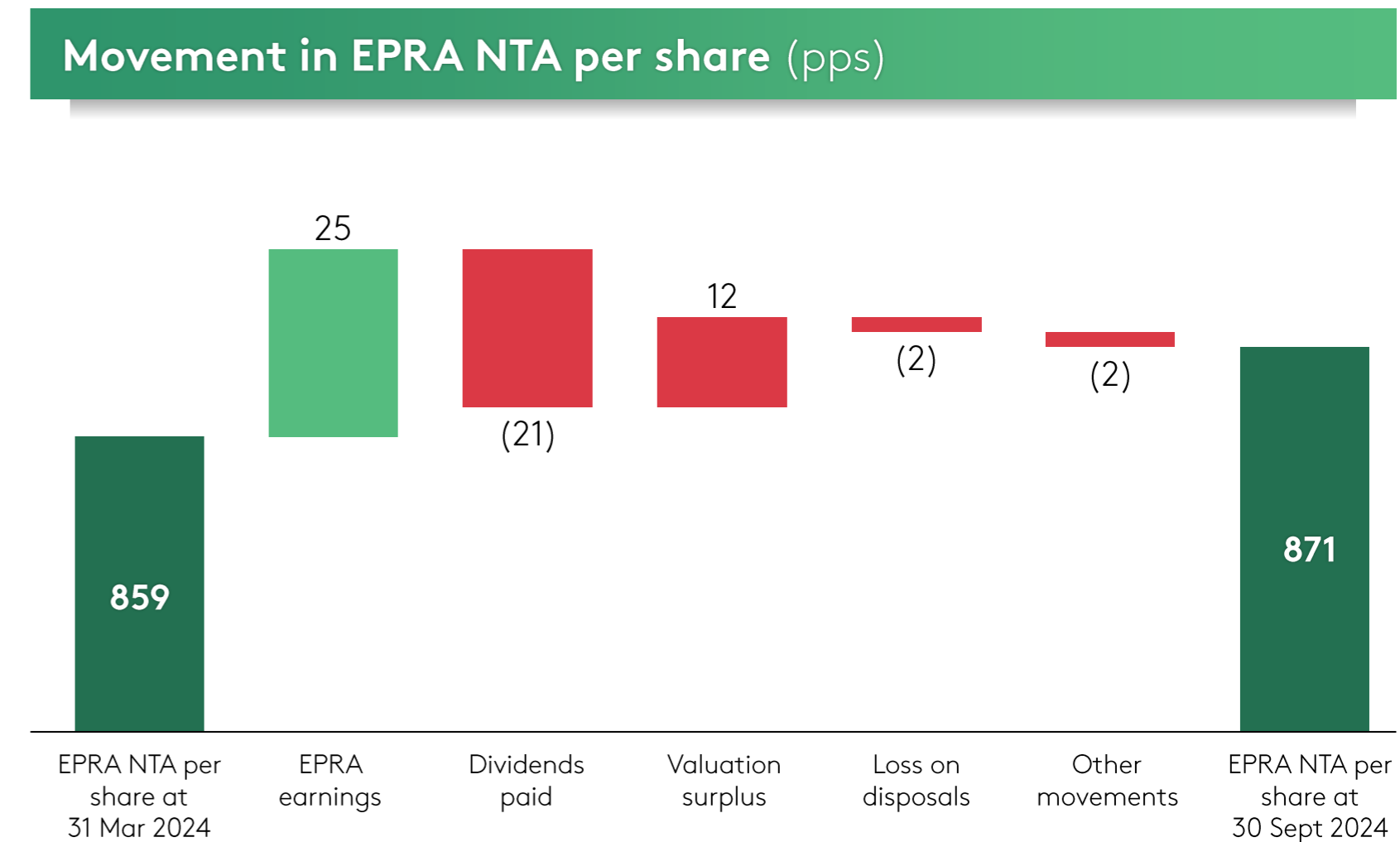
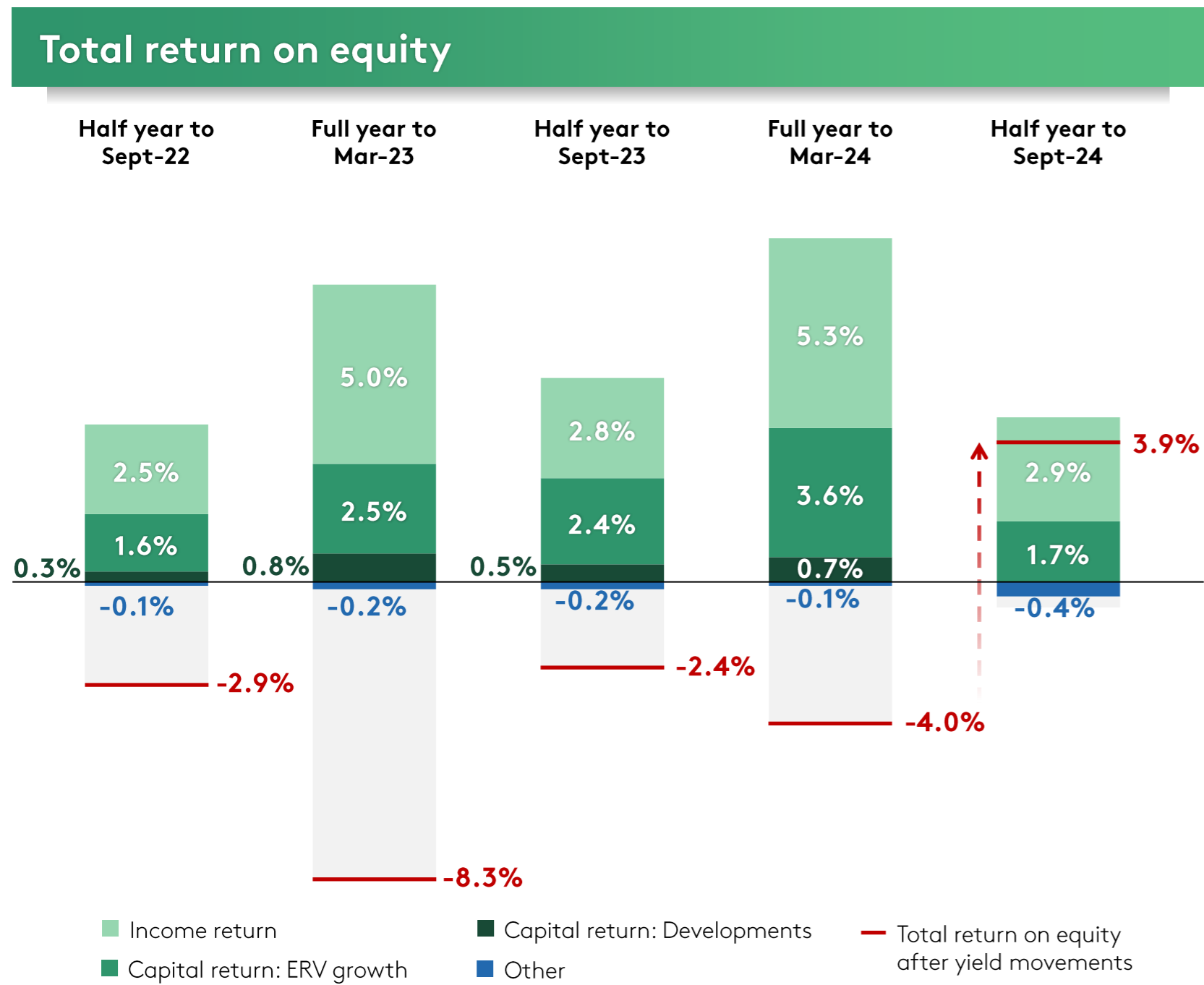
	Valuation as at 30 September 2024	Surplus/ (deficit)	Equivalent yield	LFL equivalent yield movement	LFL ERV movement
	£m	%	%	bps	%
<i>CL offices, retail and other</i>	5,362	0.4	5.4	7	2.2
<i>CL developments</i>	1,080	2.9	5.4	n/a	n/a
Central London	6,442	0.8	5.4	7	2.2
Major retail destinations	2,024	2.8	7.6	(17)	1.7
Mixed-use urban	705	(3.7)	7.5	25	2.7
Subscale sectors	786	2.0	7.7	(20)	0.3
<b>Total Portfolio</b>	<b>9,957</b>	<b>0.9</b>	<b>6.2</b>	<b>1</b>	<b>2.1</b>





# Total return on equity for first half year of 3.9%

## Supported by 1.4% increase in EPRA NTA per share

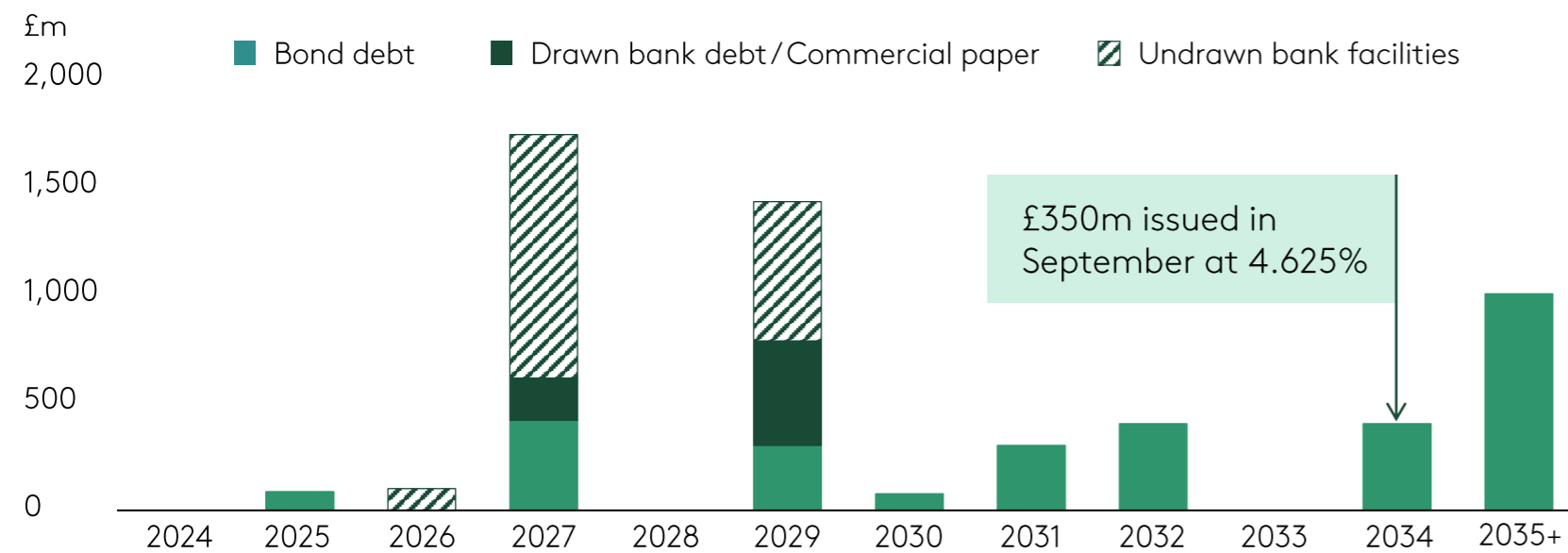


WELL-PLACED TO DELIVER 8-10% ROE TARGET

# Maintained strong capital base

## Capacity to invest at attractive point in cycle

**No need to refinance any debt until 2027 – Debt maturity by calendar year<sup>(1)</sup>**



- › Issued £350m 10Y bond at 97bps margin
- › Refinanced £2.25bn RCF at stable margins
- › LTV of 34.4% pro-forma for £50m deferred consideration on hotel disposal at 6.0% coupon

	30 Sept 2024	31 March 2024
Adjusted net debt	<b>£3,510m</b>	£3,517m
Group LTV	<b>34.9%</b>	35.0%
Net debt / EBITDA (period-end)	<b>7.4x</b>	7.4x
Net debt / EBITDA (weighted average)	<b>7.4x</b>	7.3x
Interest cover ratio	<b>3.8x</b>	3.9x
Average debt maturity(yrs)	<b>10.0</b>	9.5
Weighted average cost of debt	<b>3.5%</b>	3.3%
Percentage of debt fixed (period-end)	<b>102%</b>	94%
Cash & undrawn facilities	<b>£2,176m</b>	£1,889m
Credit rating	<b>AA/AA-</b>	AA/AA-

(1) Commercial Paper maturity date refers to the maturity date of the bank facility which is reserved against it and the bank facilities shown are pro-forma for 100% ownership of Media City and RCF refinancing completed in October and November



# Capital recycling

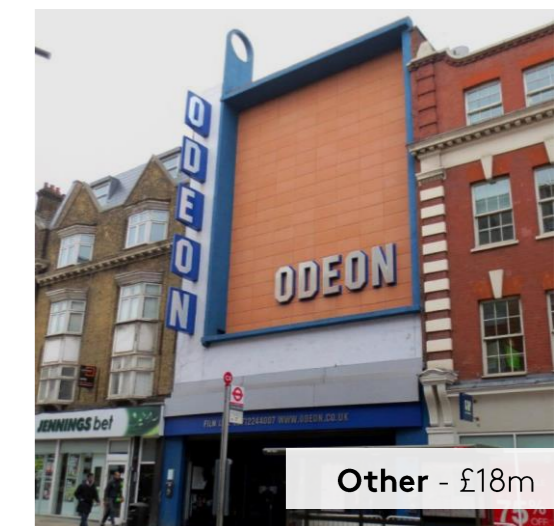
## £690m of transaction activity since March

- › Sold £464m in first half, in line with book value
- › Total disposals since late 2020 now £3.1bn
- › Invested £140m in major retail destinations
- › Double-digit ungeared IRRs and 8%+ income yield
- › Redeploy more capital in major retail in second half
- › Assumed full control of MediaCity post period-end
- › Continue to recycle capital over time

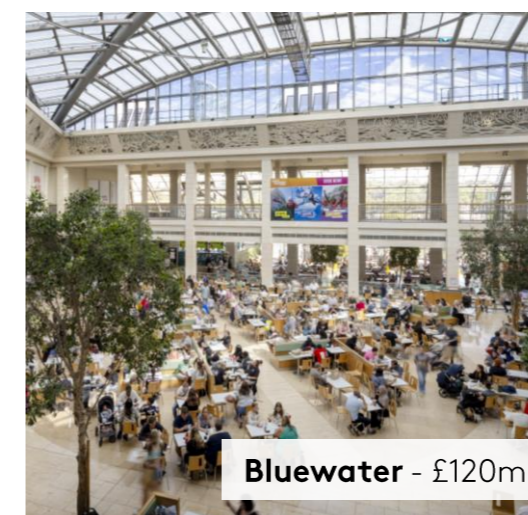
(1) Excluding £6m of smaller acquisitions adjacent to existing assets

### Capital recycling - since March 2024

#### Disposals



#### Acquisitions<sup>(1)</sup>

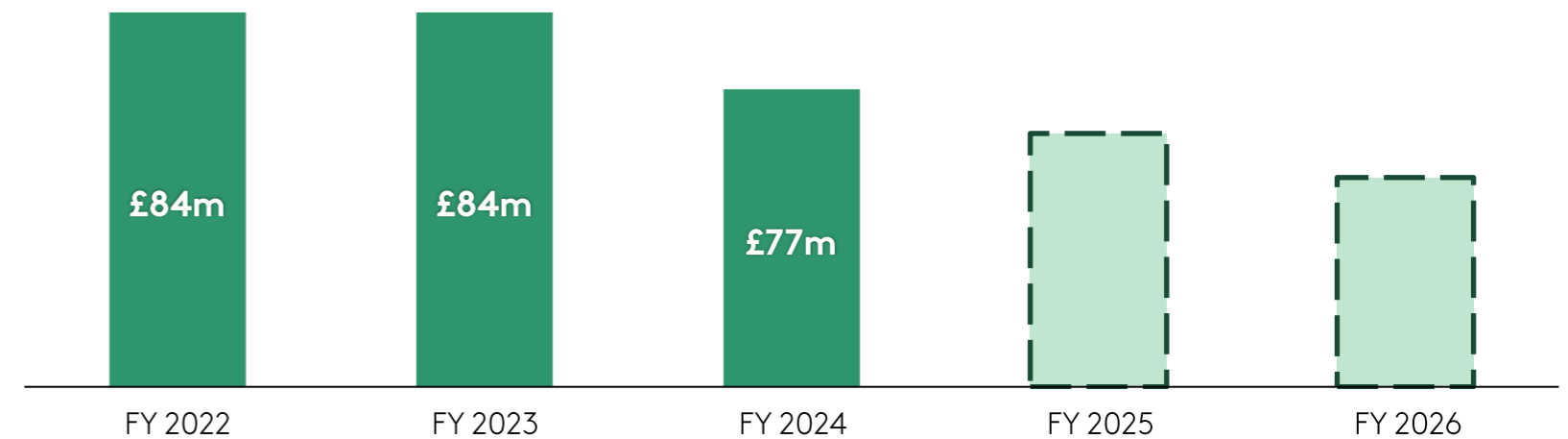


# Raising our earnings outlook

Improved LFL growth and cost efficiencies offset impact from disposals

- › LFL income growth ahead of expectation
- › Growing reversion to underpin future LFL growth
- › Further improved efficiency with more to come
- › Now expect FY25 EPS to be in line with FY24 level
- › Dividend to grow by low-single digit percentage
- › FY26 EPS expected to be ahead of FY25 driven by further LFL growth/efficiencies
- › No benefit assumed from potential future acquisitions in increased EPS outlook

## Capturing benefits of focus on efficiency – Admin expenses



## Increasing EPS guidance – excl. potential benefit of acquisitions



# Overview

**Mark Allan**

CHIEF EXECUTIVE OFFICER





# Outlook

## Positioned for growth

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- › Repositioned business for new reality
- › Growing reversionary potential across portfolio
- › Yields for best assets stabilising
- › Strong balance sheet
- › Created significant optionality
- › Clear growth potential in portfolio/pipeline





# Our focus for the near future

## Enhancing returns whilst maintaining strong capital base

- › Drive like-for-like income growth
- › Further optimise efficiency
- › Expand major retail platform
- › Unlock residential potential in pipeline
- › Improve return on capital employed
- › Grow EPS and return on equity

5.8% income return at NTA



LFL income growth



ERV growth and development upside



**Well placed to deliver 8-10% ROE target  
and growth in EPS**

# Appendices





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# Our sustainability framework











MATERIAL ISSUES	KEY TARGETS	2024/25 HY PROGRESS
<p>Decarbonising our portfolio</p> <p>Enhancing nature and green spaces</p> <p>Using resources efficiently</p>	<p>Achieve net zero emissions by 2040:</p> <p>Near-Term: reduce absolute scope 1, 2 and 3 emissions by 47% by 2030 from a 2019/20 baseline</p> <p>Long-Term: reduce absolute scope 1, 2 and 3 emissions 90% by 2040 from a 2019/20 baseline</p> <p>Reduce average embodied carbon by 50% compared with a typical building by 2030<sup>(1)</sup></p>	<p>Progressing our Net Zero Transition Investment Plan, with installation of air source heat pumps at four office sites underway and completing installation of additional 550kWp solar PV at Gunwharf Quays</p> <p>27% reduction in absolute carbon emissions (tCO<sub>2</sub>e) compared with 2019/20 baseline</p> <p>19% reduction in energy intensity (kWh/m<sup>2</sup>) compared with 2019/20 baseline</p> <p>Tracking an average 41% reduction in upfront embodied carbon<sup>1</sup> across development pipeline</p> <p>52% of portfolio rated EPC 'B' or above</p> <p>In line with our nature strategy, we developed nature action plans for all our sites</p> <p>Zero waste sent to landfill with 67% of operational waste recycled</p>
<p>Embedding ESG</p> <p>Doing the basics brilliantly</p>	<p>All Landsec colleagues to have individual objectives to support the delivery of our vision</p> <p>Build relationships with our strategic suppliers to enhance sustainable practices throughout our supply chain</p>	<p>Progressing our Landsec Futures fund, supporting 1,765 people and creating £15m social value in the first six months of the year</p> <p>12,014 people supported since 2019/20 baseline</p> <p>£69m social value created since 2019/20 baseline</p> <p>52% female representation across whole organisation</p> <p>21% of colleagues from ethnic minority background across whole organisation vs. 18% UK average<sup>(2)</sup></p>



1) Reduction compared with typical buildings from GLA Whole Life Carbon Guidance (office: 1,000 kgCO<sub>2</sub>e/m<sup>2</sup> GIA and residential: kgCO<sub>2</sub>e/m<sup>2</sup> GIA)  
 2) Ethnicity facts and figures from GOV.UK

# Sustainability leadership

## Demonstrated by our performance across all key ESG benchmarks

Benchmark	Latest performance	Benchmark	Latest performance
 <p><b>GRESB</b> REAL ESTATE sector leader 2024</p>  <p><b>GRESB</b> ★★★★★ 2024</p>	<p><b>GRESB 2024</b> Real Estate Sector leader: 5-star rating for the ninth consecutive year</p> <p>Standing Investments: Regional Listed Sector Leader for Europe within Diversified Office/Retail (score 90% vs average 76%)</p> <p>Developments: Global Sector Leader Offices (score 99% vs average 86%)</p>	  <p>FTSE4Good</p>  <p>Corporate ESG Performance RATED BY ISS ESG Prime</p>  <p>Moody's Analytics</p>  <p>MSCI ESG RATINGS AAA</p>  <p><b>SUSTAINALYTICS</b> a Morningstar company</p>	<p><b>EPRA 2024</b> Received our 11<sup>th</sup> Gold Award for best practice sustainability reporting</p> <p><b>FTSE4Good 2023</b> 97<sup>th</sup> percentile We continue to retain our established position in the FTSE4Good Index</p> <p><b>ISS ESG</b> Prime status. Rating B- Decile rank 1/Transparency level: very high</p> <p><b>Moody's Analytics</b> Overall ESG score: 62/100 Financial Services – Real Estate Europe sector average score: 41/100</p> <p><b>MSCI ESG Rating</b> AAA rating</p> <p><b>Sustainalytics ESG Risk Rating</b> Score 7.4 negligible risk Included in 2024 Top-Rated ESG Companies List</p>
<p>Member of <b>Dow Jones Sustainability Indices</b> Powered by the S&amp;P Global CSA</p>  <p>Land Securities Group Plc Equity Trust Global Investment Trusts (REITs) <b>Top 1%</b> S&amp;P Global Corporate Sustainability Assessment (CSA) Score 2023</p>	<p><b>DJSI / S&amp;P Global CSA 2024</b> Score 79 / top 100th percentile Ranked 2nd globally within REITs Sustainability Yearbook 2024 - top 1% among REITs</p>		
 <p><b>CDP</b> DISCLOSURE INSIGHT ACTION</p>	<p><b>CDP 2023</b> A- Leadership level – top 22% of companies in the peer group 2024 results yet to be published</p>		

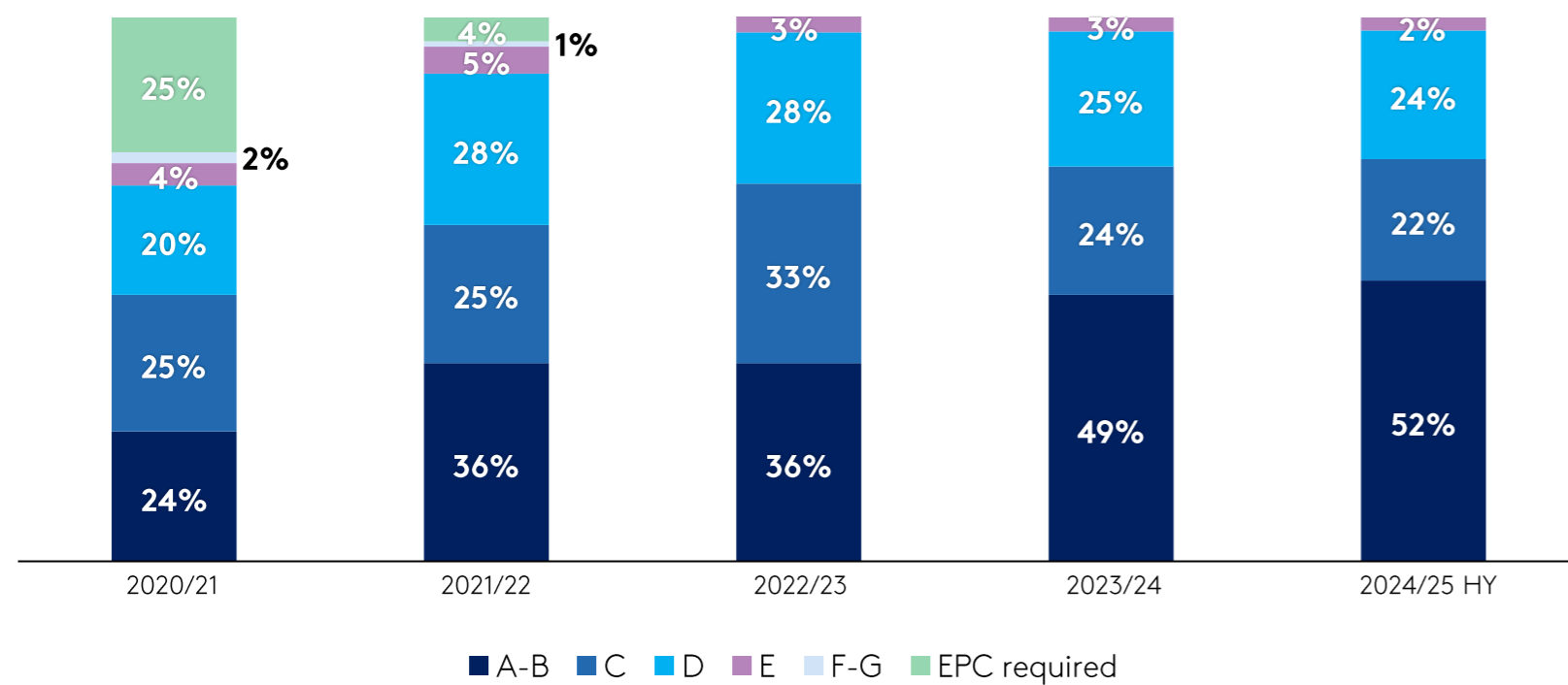


# Minimum Energy Efficiency Standards

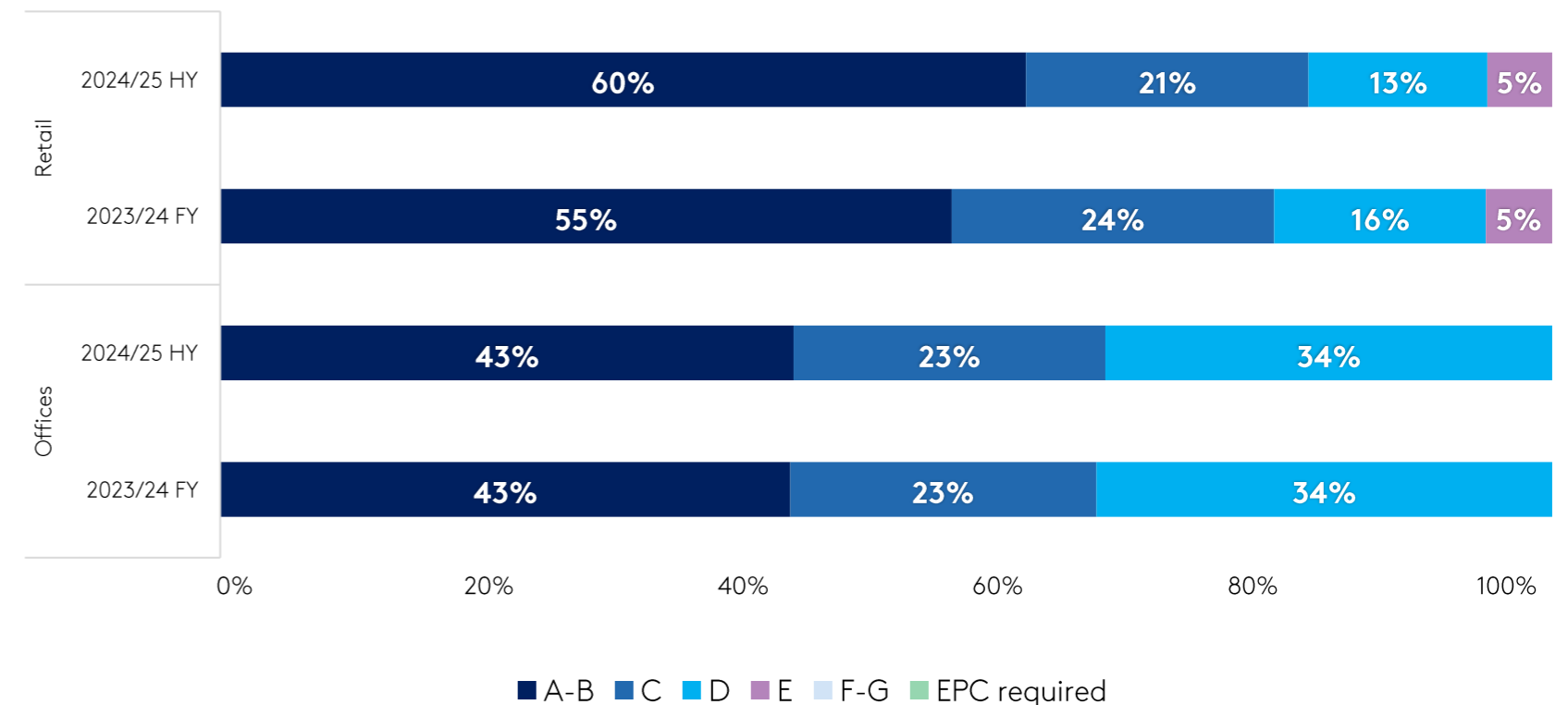
## 52% of portfolio already rated EPC 'B' or higher

- › 100% compliant with 2023 MEES regulations requiring all non-domestic rented properties to achieve an EPC 'E' or above
- › Net Zero Transition Investment Plan will see 50% of our office portfolio reach EPC 'B' by 2025 through the installation of air source heat pumps and achieve 100% EPC 'B' or above by 2030

Portfolio EPC rating (ERV) <sup>(1)</sup>



EPC rating by property type (ERV) <sup>(1) (2)</sup>



1) EPC data excludes spaces that are not required to have EPC, spaces designated for development, spaces with a registered EPC exemptions or spaces not covered by MEES regulations such as assets located in Scotland

2) EPC data 2023/24 FY Offices has been restated to account for adjusted ERV for recently completed developments to ensure alignment with Combined Portfolio Analysis figures

# Reducing upfront embodied carbon

## Practical example at Timber Square

### Timber Square



- › 383,000sqft office in London, SE1
- › 48% embodied carbon reduction<sup>(1),(2)</sup>
- › Targeting BREEAM Outstanding
- › Targeting EPC A and NABERS UK 5 stars
- › One of the largest hybrid building using steel and CLT in UK

### Approach

#### Retention

- › Print building – 80% retention of the structure of 1950s printworks resulting in a carbon saving of 234 kgCO<sub>2</sub>e/m<sup>2</sup> GIA (5,860 tonnes CO<sub>2</sub>e total)

#### Lean design

- › Addition of 4 floors onto the existing Print building using Cross Laminated Timber (CLT) slabs which are c.25% lighter than a conventional concrete & steel construction
- › Use of CLT and steel hybrid frame allows a wider span between primary beams reducing the number of beams required when compared with a concrete and steel composite equivalent

#### Materials

- › 115 tonnes of reused structural steel, saving 275 tonnes CO<sub>2</sub>e and minimising virgin material usage
- › Raised Access Flooring salvaged from another Landsec building

### Co-benefits

- › Programme saving due to simplified installation of CLT slabs in comparison to a typical composite concrete and steel solution. An in-depth programme study will be completed at completion
- › The hybrid structure gives a distinct aesthetic that makes the building stand out in the leasing market
- › £25/sq ft saving from retention of the Print superstructure

### Challenges

- › Fire testing of the CLT was a more complex process than a typical structural solution, involving a full destructive test of a large-scale mock-up at the cost of c.£400k
- › Engagement with insurers was required earlier in the design process than typical structural solution, project specific data had to be generated to allow the insurer to confirm insurance of the buildings during construction and post completion

1) Reduction compared with typical buildings from GLA Whole Life Carbon Guidance (office: 1,000 kgCO<sub>2</sub>e/m<sup>2</sup> GIA)

2) Embodied carbon figure includes full Cat A installation for GLA comparison

# Valuation movements

## As at 30 September 2024

	Market value 30 September 2024	Valuation change	LFL ERV change	EPRA net initial yield	EPRA topped-up net initial yield <sup>(1)</sup>	Equivalent yield	LFL movement in equivalent yield
	£m	%	%	%	%	%	bps
West end offices	3,083	0.0	1.3	3.9	5.7	5.3	4
City offices	1,251	1.9	5.3	4.3	5.3	6.1	7
Retail and other	1,028	-0.4	(0.3)	4.2	4.6	5.0	11
Developments	1,080	2.9	n/a	(0.2)	(0.1)	5.4	n/a
<b>Total Central London</b>	<b>6,442</b>	<b>0.8</b>	<b>2.2</b>	<b>4.1<sup>(2)</sup></b>	<b>5.4<sup>(2)</sup></b>	<b>5.4</b>	<b>7</b>
Shopping centres	1,413	4.2	1.4	7.7	8.3	7.9	(22)
Outlets	611	-0.3	2.2	6.3	6.4	6.9	(10)
<b>Total Major retail destinations</b>	<b>2,024</b>	<b>2.8</b>	<b>1.7</b>	<b>7.3</b>	<b>7.7</b>	<b>7.6</b>	<b>(17)</b>
London	189	-5.6	3.7	4.4	4.2	6.6	6
Major regional cities	516	-3.0	2.4	6.6	6.7	8.1	33
<b>Total Mixed-use urban</b>	<b>705</b>	<b>-3.7</b>	<b>2.7</b>	<b>6.1<sup>(2)</sup></b>	<b>6.1<sup>(2)</sup></b>	<b>7.5</b>	<b>25</b>
Leisure	420	-1.1	(0.2)	8.4	8.6	8.7	(8)
Retail parks	366	5.6	1.1	5.8	6.6	6.6	(27)
<b>Total Subscale sectors</b>	<b>786</b>	<b>2.0</b>	<b>0.3</b>	<b>7.2</b>	<b>7.7</b>	<b>7.7</b>	<b>(20)</b>
<b>Total Combined Portfolio</b>	<b>9,957</b>	<b>0.9</b>	<b>2.1</b>	<b>5.2<sup>(2)</sup></b>	<b>6.2<sup>(2)</sup></b>	<b>6.2</b>	<b>1</b>

1) Topped-up net initial yield adjusted to reflect the annualised cash rent that will apply at the expiry of current lease incentives

2) Excluding developments



# Operational performance analysis

As at 30 September 2024

	Annualised rental income	Net estimated rental value	EPRA occupancy <sup>(1)</sup>	LFL occupancy change <sup>(1)</sup>	WAULT <sup>(1)</sup>
	£m	£m	%	ppt	Years
West end offices	158	188	98.7	(0.9)	6.4
City offices	71	98	96.5	2.8	7.4
Retail and other	41	55	98.1	0.9	5.4
Developments	9	100	n/a	n/a	n/a
<b>Total Central London</b>	<b>279</b>	<b>441</b>	<b>97.9</b>	<b>0.6</b>	<b>6.5</b>
Shopping centres	139	139	96.0	1.0	4.3
Outlets	47	50	95.9	(0.2)	2.9
<b>Total Major retail destinations</b>	<b>186</b>	<b>189</b>	<b>96.0</b>	<b>0.7</b>	<b>3.9</b>
London	11	16	88.5	(1.7)	7.5
Major regional cities	37	41	94.9	1.4	6.9
<b>Total Mixed-use urban</b>	<b>48</b>	<b>57</b>	<b>93.2</b>	<b>0.6</b>	<b>7.0</b>
Leisure	44	42	96.6	(0.4)	10.5
Retail parks	25	27	94.7	(2.5)	5.6
<b>Total Subscale sectors</b>	<b>69</b>	<b>69</b>	<b>95.8</b>	<b>(1.2)</b>	<b>8.6</b>
<b>Total Combined Portfolio</b>	<b>582</b>	<b>756</b>	<b>96.6</b>	<b>0.4</b>	<b>6.1</b>

1) Excluding developments.

# Rent reviews and lease expiries and breaks<sup>(1)</sup>

## Excluding developments

	Outstanding	2024/25	2025/26	2026/27	2027/28	2028/29	2030+	Total
	£m	£m	£m	£m	£m	£m		£m
Rents passing from leases subject to review	90	39	44	32	32	43	9	289
<b>Gross reversion under lease provisions</b>	<b>5</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>10</b>	<b>(1)</b>	<b>20</b>

	2024/25	2025/26	2026/27	2027/28	2028/29	2030+	Total
	£m	£m	£m	£m	£m		£m
Rents passing from leases subject to expiries or breaks <sup>(3)</sup>	43	52	63	51	60	225	494
ERV	46	51	64	50	63	237	511
<b>Potential rent change</b>	<b>3</b>	<b>(1)</b>	<b>1</b>	<b>(1)</b>	<b>3</b>	<b>12</b>	<b>17</b>
Incremental income from Queen Anne's Mansions <sup>(2)</sup>			(5)	(16)			(21)
<b>Total reversion from rent reviews and expiries or breaks</b>							<b>16</b>
Tenants in administration <sup>(4)</sup>							6
Vacancies							21
<b>Total</b>							<b>43</b>

1) This is not a forecast and takes no account of increases or decreases in ERV before the relevant review dates

2) £21m incremental lease income at Queen Anne's Mansions which will expire by Dec 2026.

3) Rents passing from leases subject to expiries or breaks does not include any lease where a reversion is expected from a rent review before the expiry or break date

4) Excludes tenants in administration where the administrator continues to pay rent

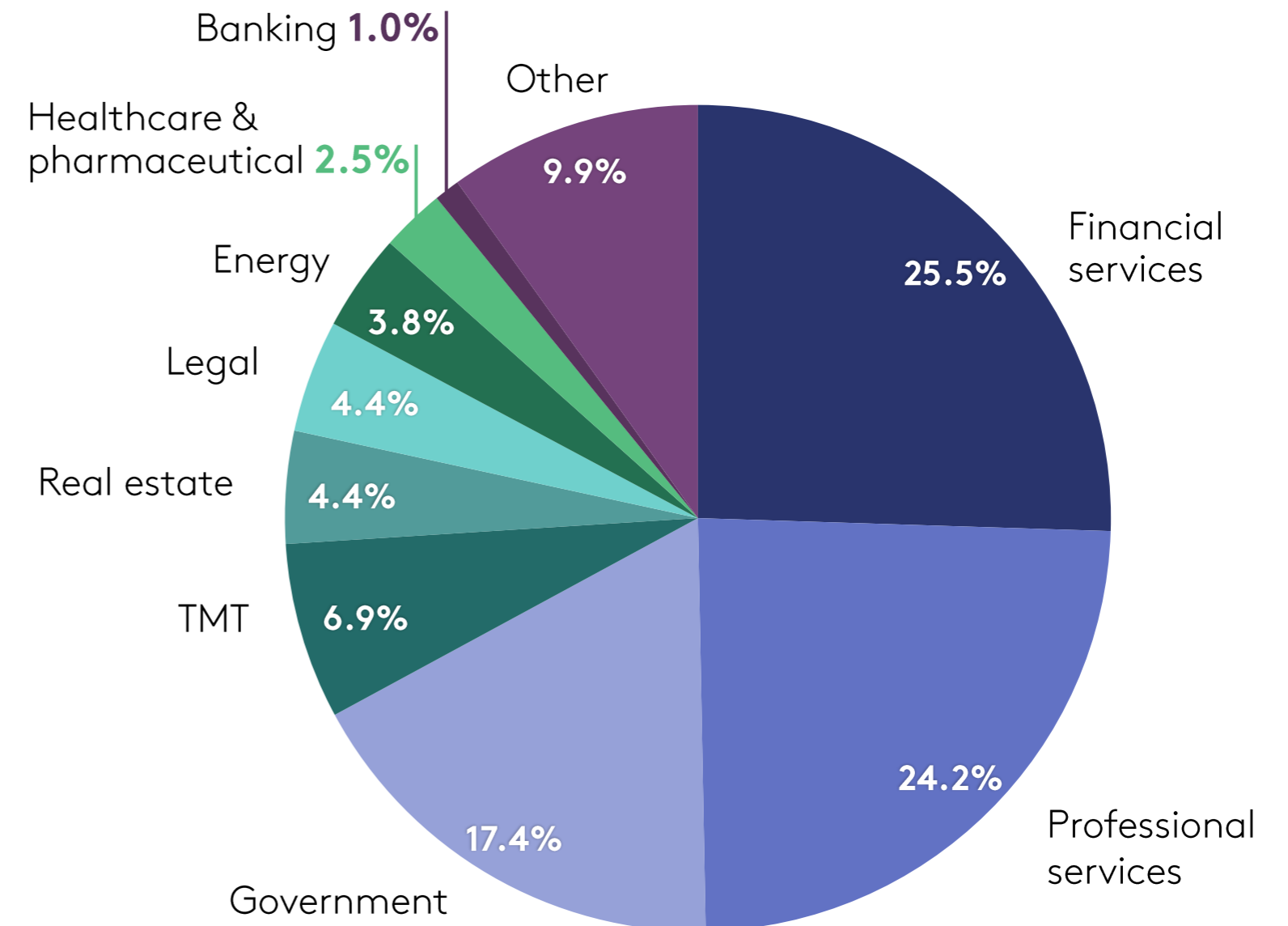
# Central London office customers by sector

Diversified customer mix with limited exposure to tech and banks

**Top 10 customers** – Percentage of Central London annualised rental income

Central government	12.2%
Deloitte	4.9%
Taylor Wessing	3.3%
Qube Research & Technologies	2.7%
Wellington Management Company	1.9%
Schlumberger Oilfield UK	1.7%
DWS	1.6%
Eisler Capital	1.5%
K&L Gates	1.5%
AlixPartners	1.4%

**Customers by sector** – Percentage of Central London annualised rental income





# Office-led development returns

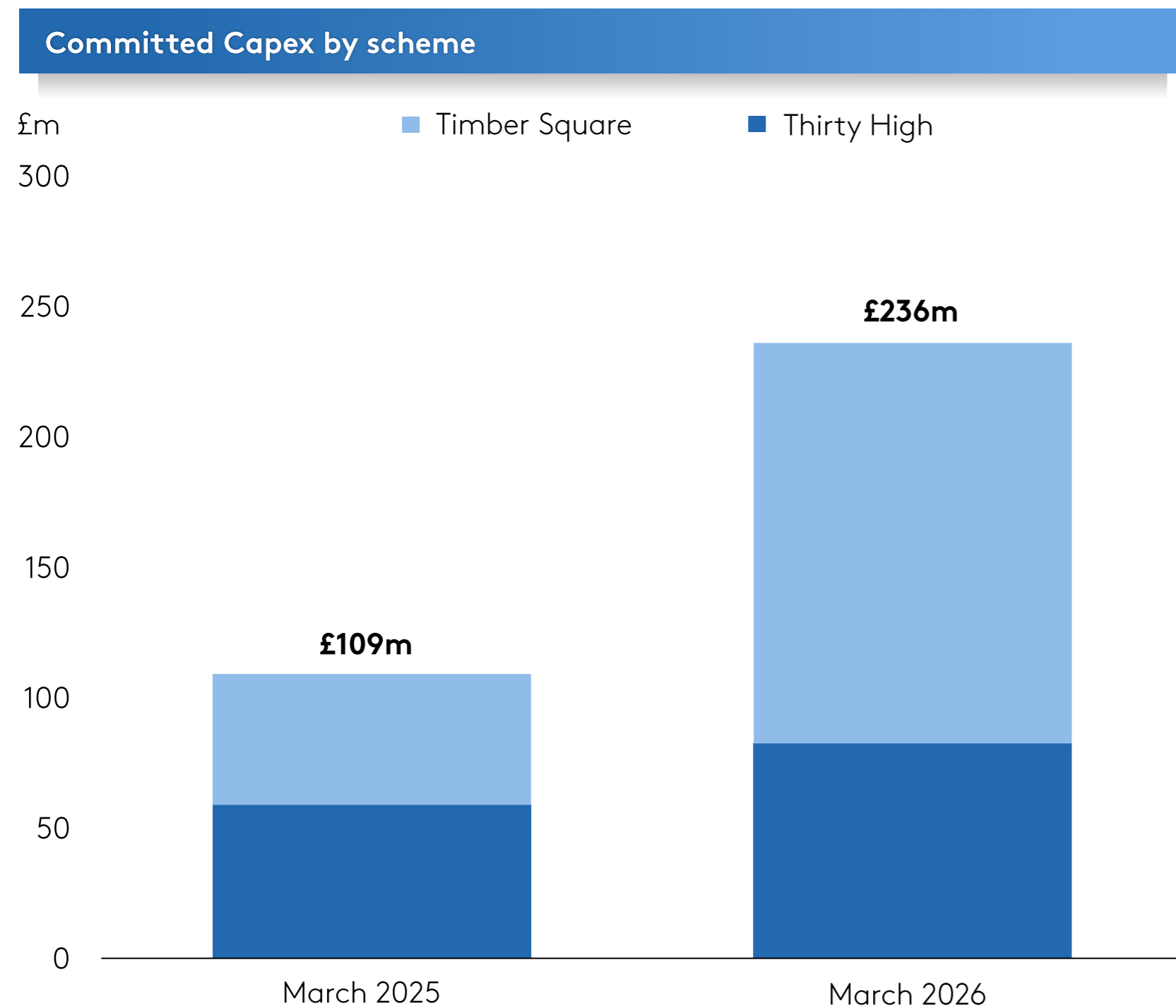
		Thirty High, SW1	Timber Square, SE1
Status		On site	On site
<b>Estimated completion date</b>		<b>Oct 2025</b>	<b>Dec 2025</b>
Description of use		Office – 89% Retail – 11%	Office – 96% Retail – 4%
Landsec ownership	%	100	100
Size	sq ft (000)	299	383
Letting status	%	-	-
Market value	£m	300	205
Net income/ERV	£m	30	31
Total development cost (TDC) to date	£m	265	218
Forecast TDC	£m	416	442
Gross yield on cost	%	7.2	7.0
Valuation surplus/(deficit) to date	£m	34	(13)
Market value + outstanding TDC	£m	451	429
Gross yield on market value + outstanding TDC	%	6.6	7.2

# Future development pipeline

Project	Proposed sq ft '000	Indicative TDC £m	Indicative ERV £m	Gross yield on TDC <sup>(1)</sup> %	Potential start date	Planning status
<b>Office-led</b>						
Red Lion Court, SE1	250				2025	Consented
Liberty of Southwark, SE1	220				2026	Consented
Old Broad Street, EC2	290				2025	Consented
Hill House, EC4	380				2026	Consented
Nova Place, SW1	60				2025	Design
Southwark Bridge Road, SE1	150				2026	Design
Timber Square Phase 2, SE1	290				2026	Design
<b>Total</b>	<b>1,640</b>	<b>2,250</b>	<b>160</b>	<b>7.1</b>		
<b>Residential-led</b>						
Mayfield, Manchester	1,820				2025	Consented
Finchley Road, NW3	1,400				2026	Consented
Lewisham, SE13	1,900				2026	Design
<b>Total</b>	<b>5,120</b>	<b>3,100-3,900</b>	<b>200-260</b>	<b>c.6-7</b>		
<b>Total Future Pipeline</b>	<b>6,760</b>					

1) Indicative figures.

# Future committed capital expenditure on committed pipeline



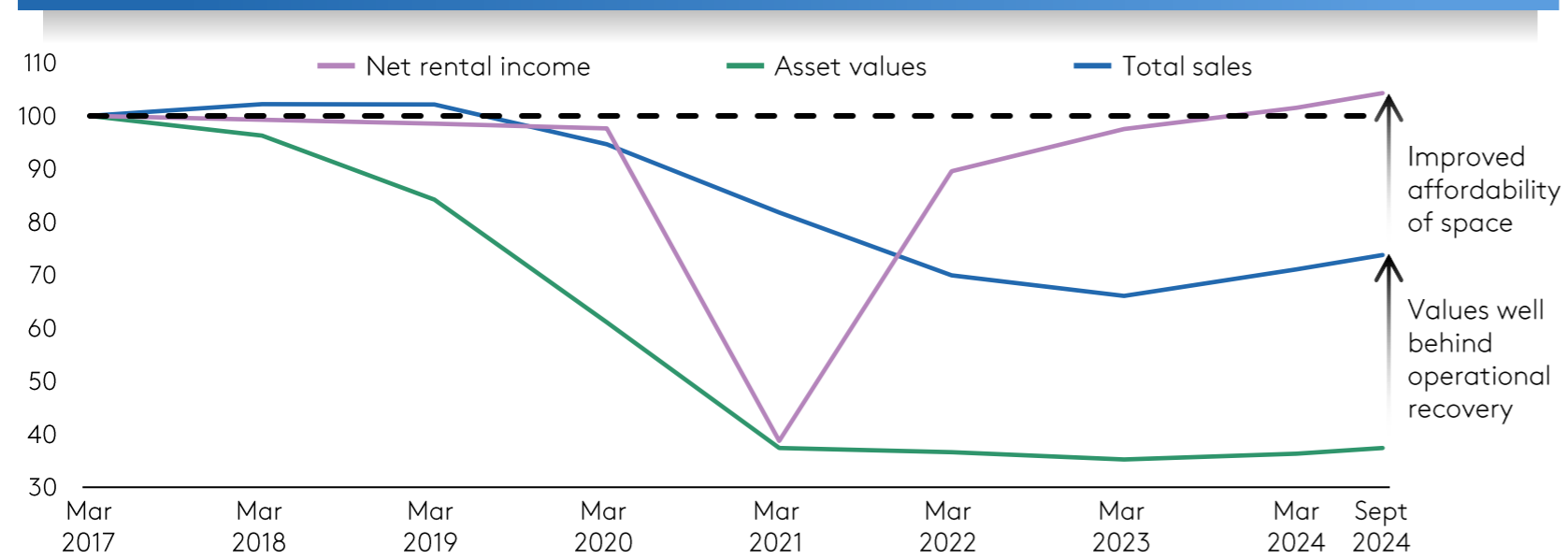
- › £345m future committed capex on our two committed developments: Timber Square and Thirty High
- › Expected ERV of £61m
- › Delivering an attractive 7.1% gross yield on cost and 11% yield on capex



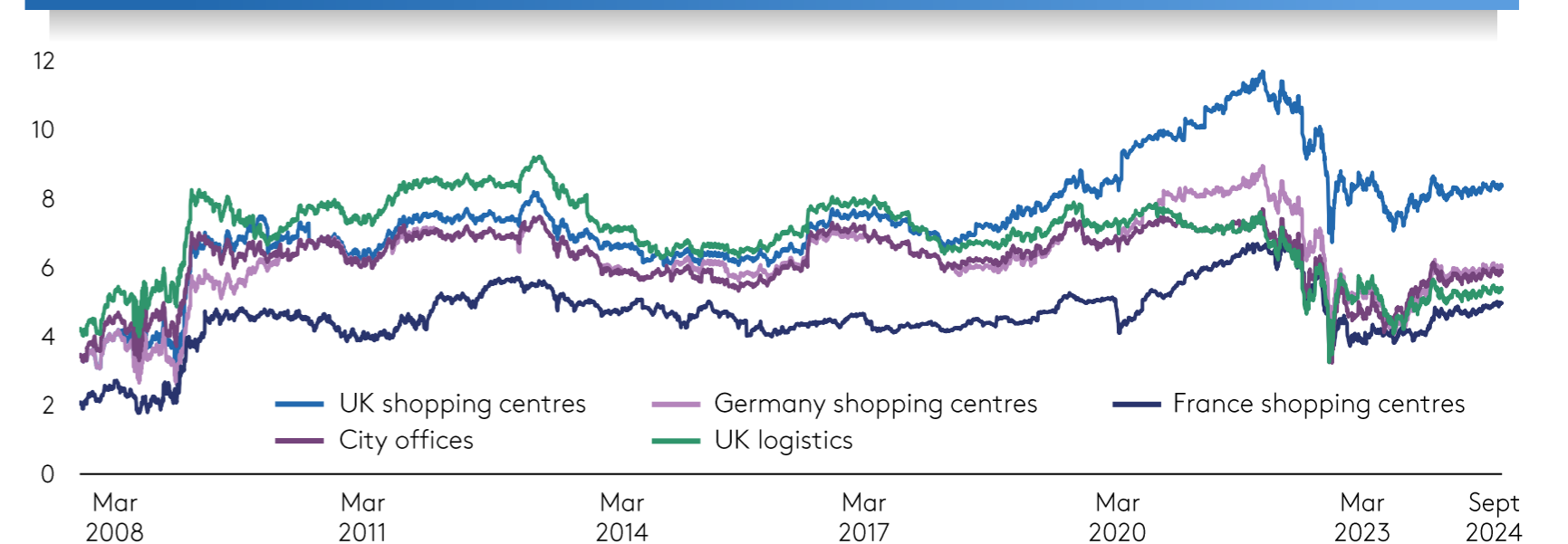
# Major retail destinations – Economics

Attractive value in high and growing income returns

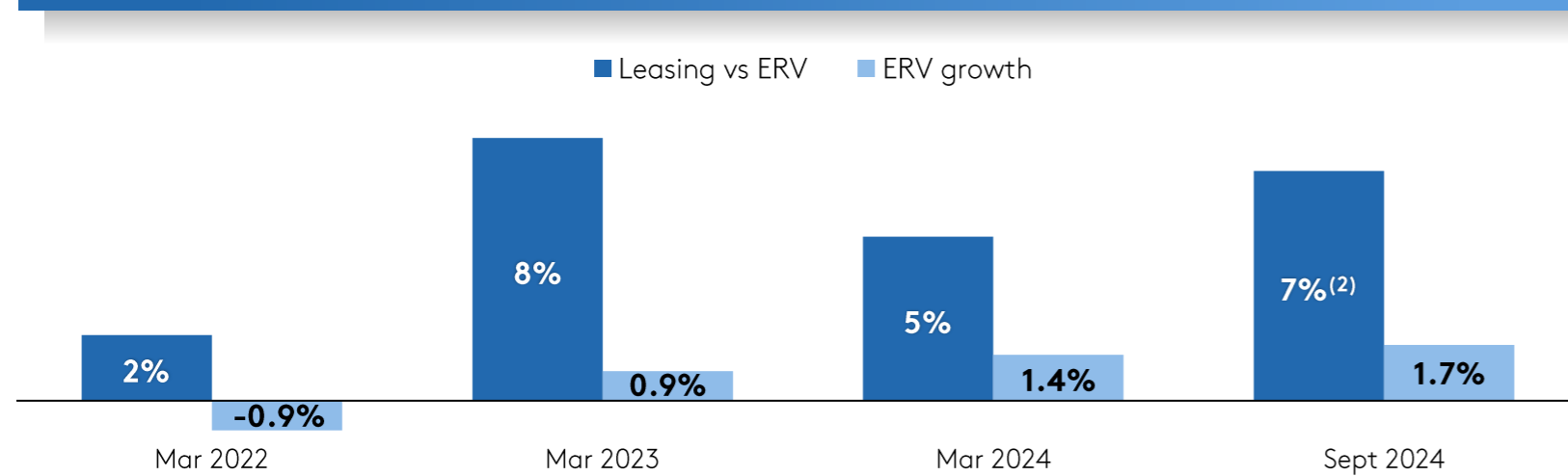
Landsec shopping centre values, rental income and retail sales<sup>(1)</sup> (index, Mar-17=100)



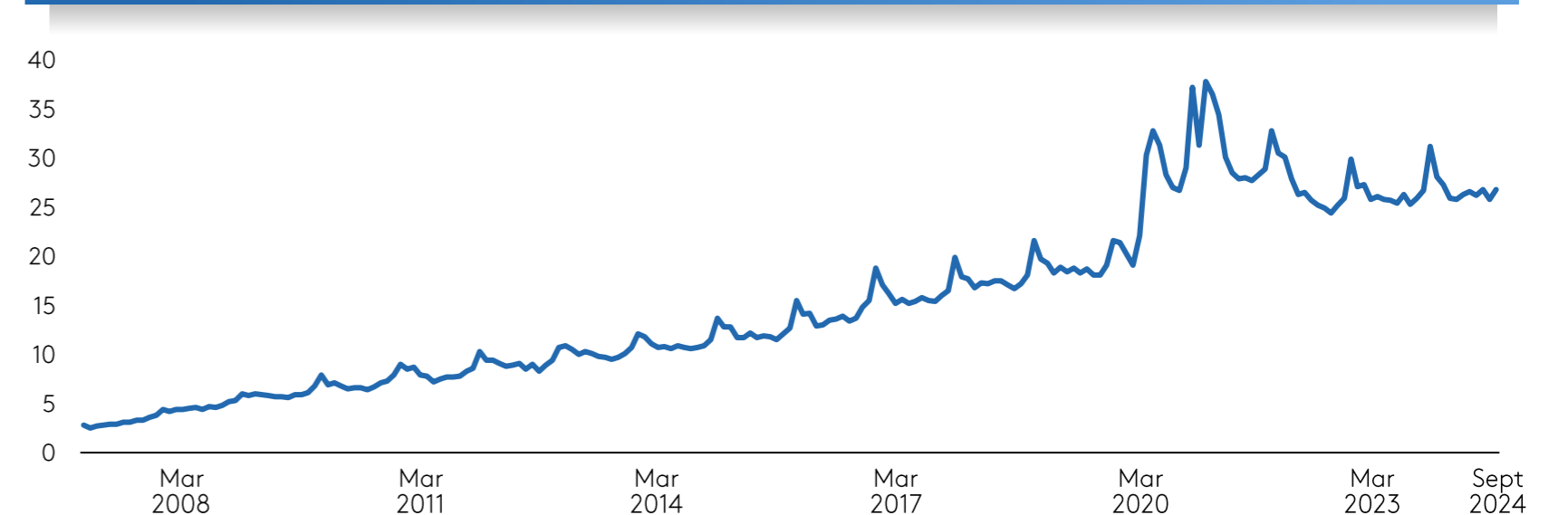
Risk premium – spread between prime yields and 5-year real interest rates



Landsec's Major retail portfolio - Leasing performance and ERV growth



Internet sales as a percentage of total retail sales (ratio) (%)



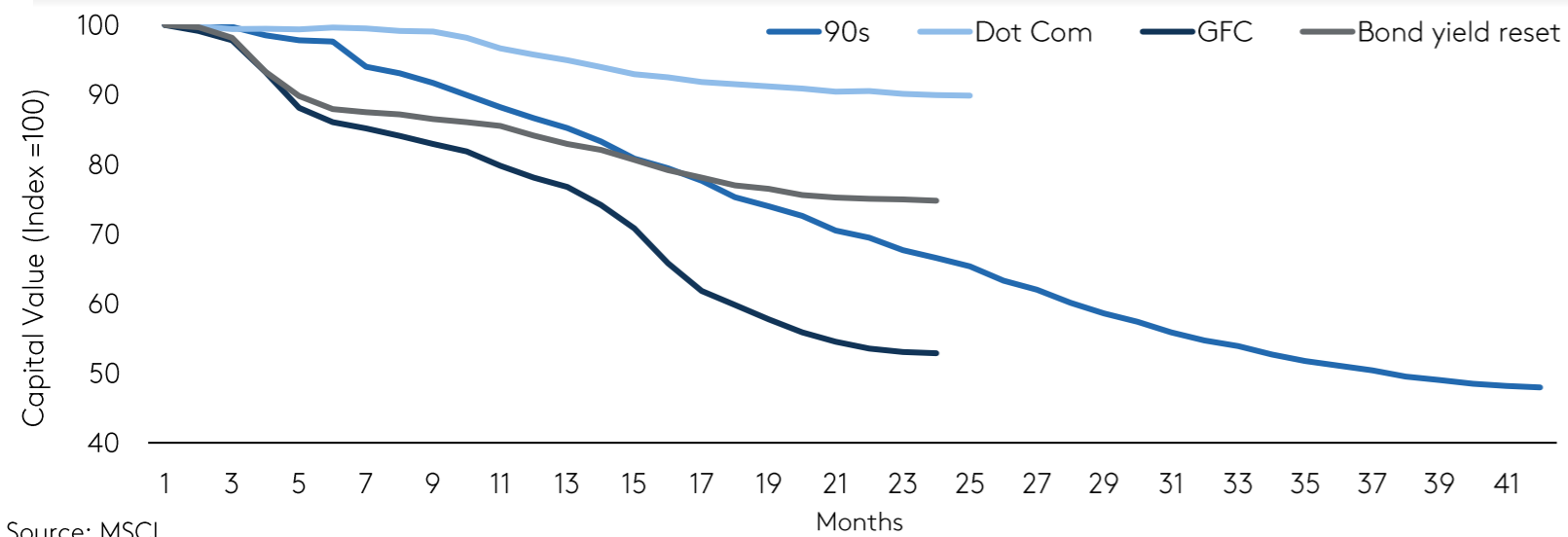
1) Excluding bad debts  
2) Includes lettings in solicitors' hands.

Source: ONS

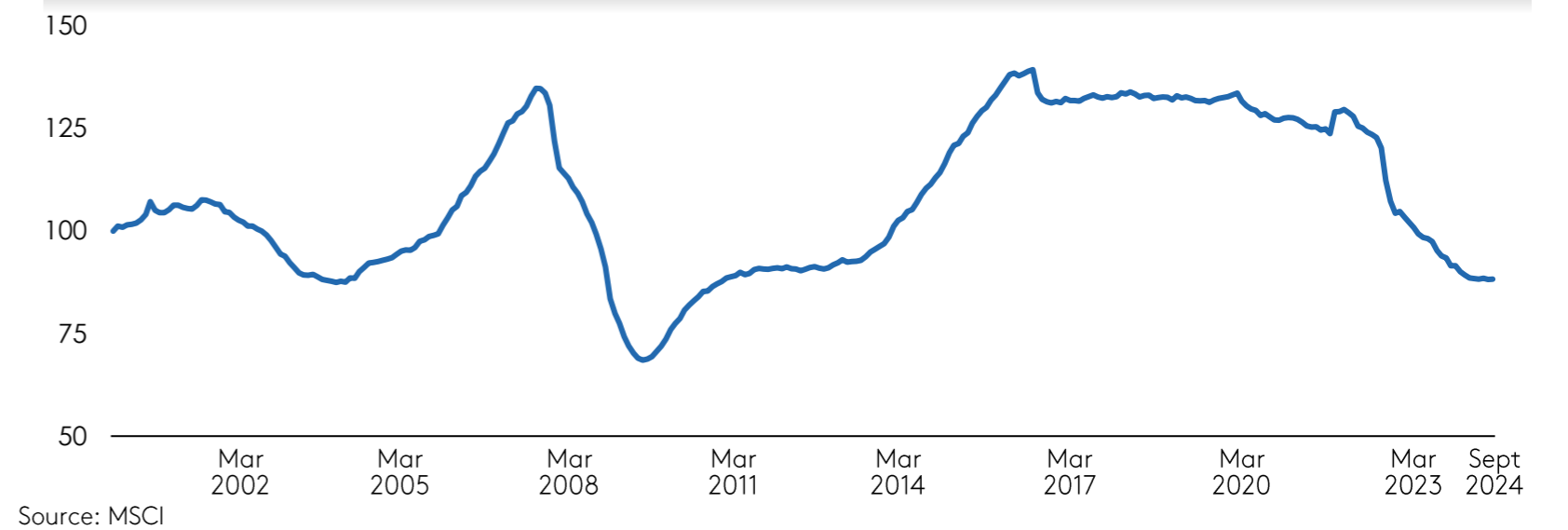
# Central London office – Investment markets

## Values stabilising for best assets as signs of demand pick up

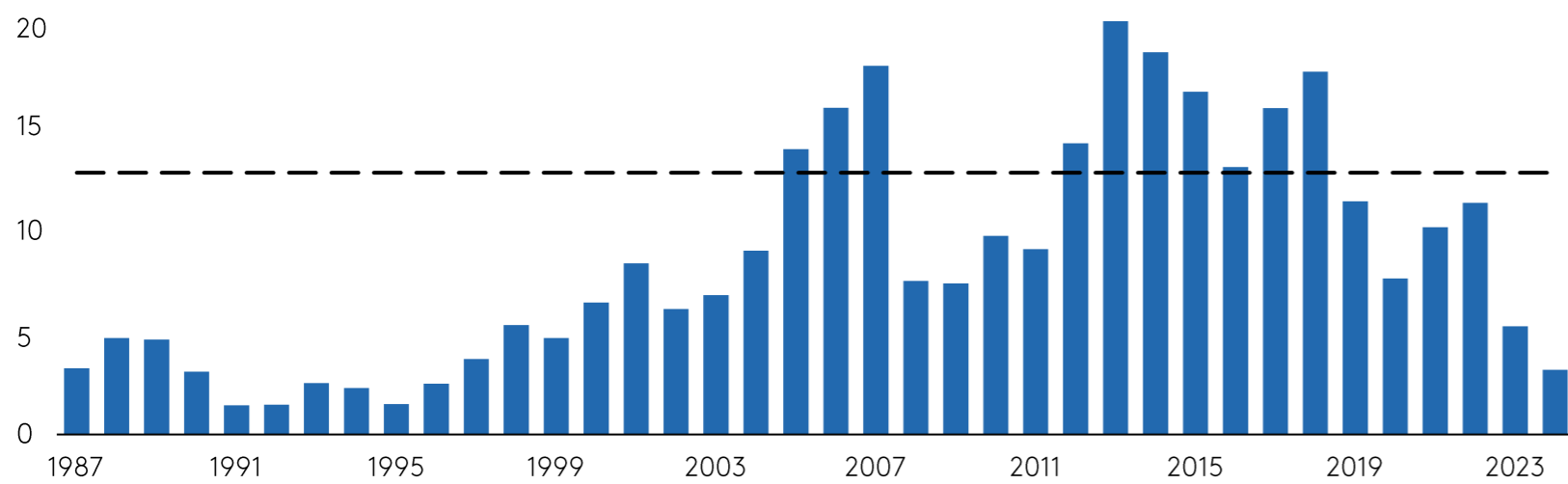
Peak to Trough (months), Cycle of Capital Value Decline Central London Offices



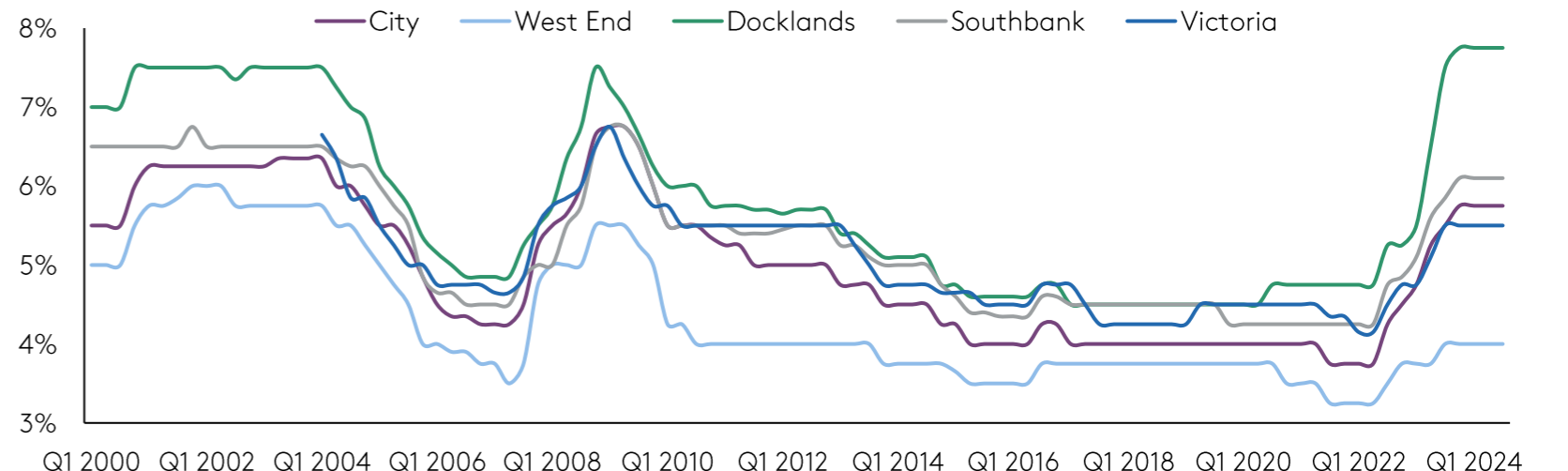
Central London Office Real Capital Values (Indexed Dec '99 = 100)



Central London Investment Volumes (£bn)



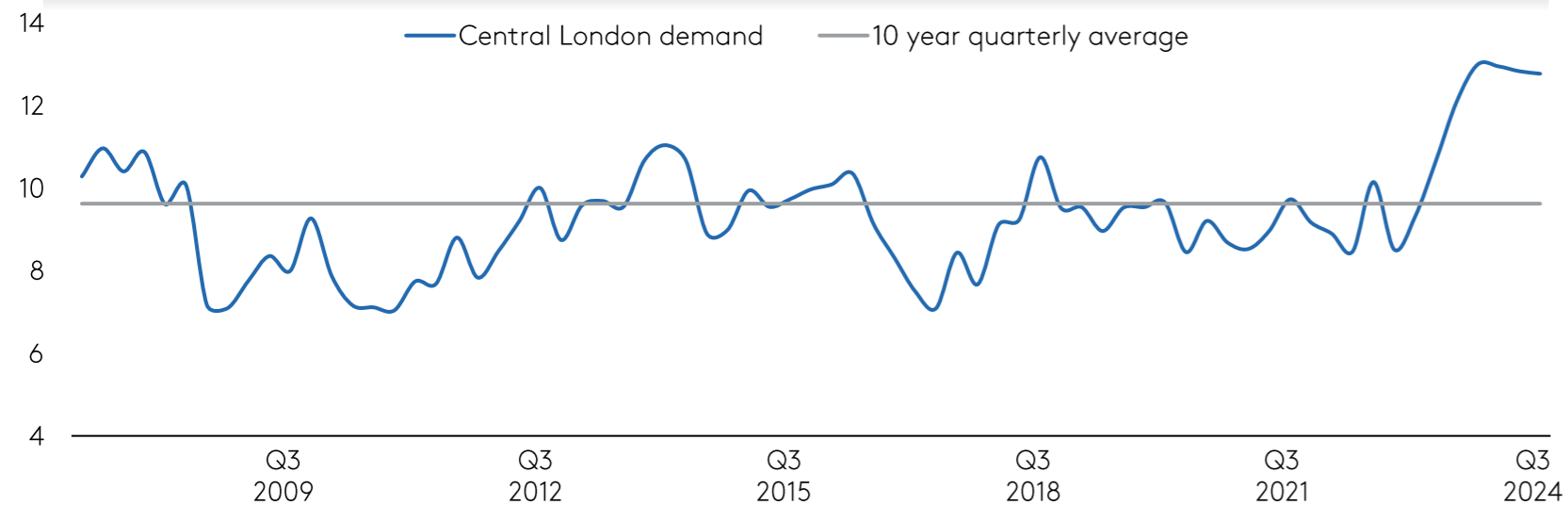
Central London Office Yields (%)



# Central London office – Demand and supply

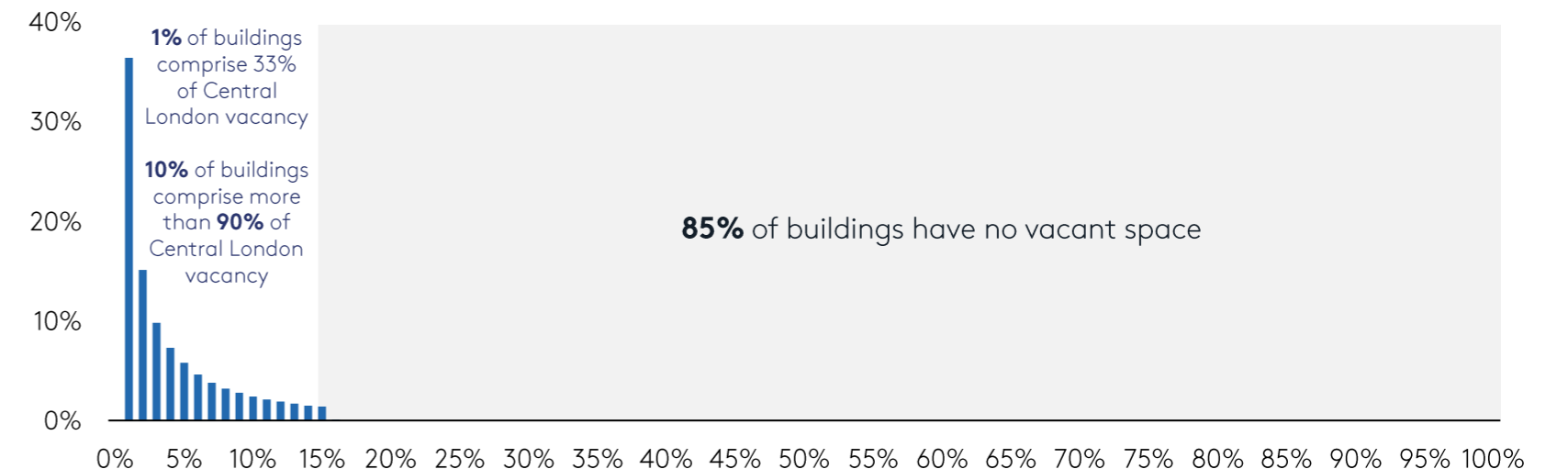
## Sustained demand for best-quality stock

Central London Active Demand (million sq ft)



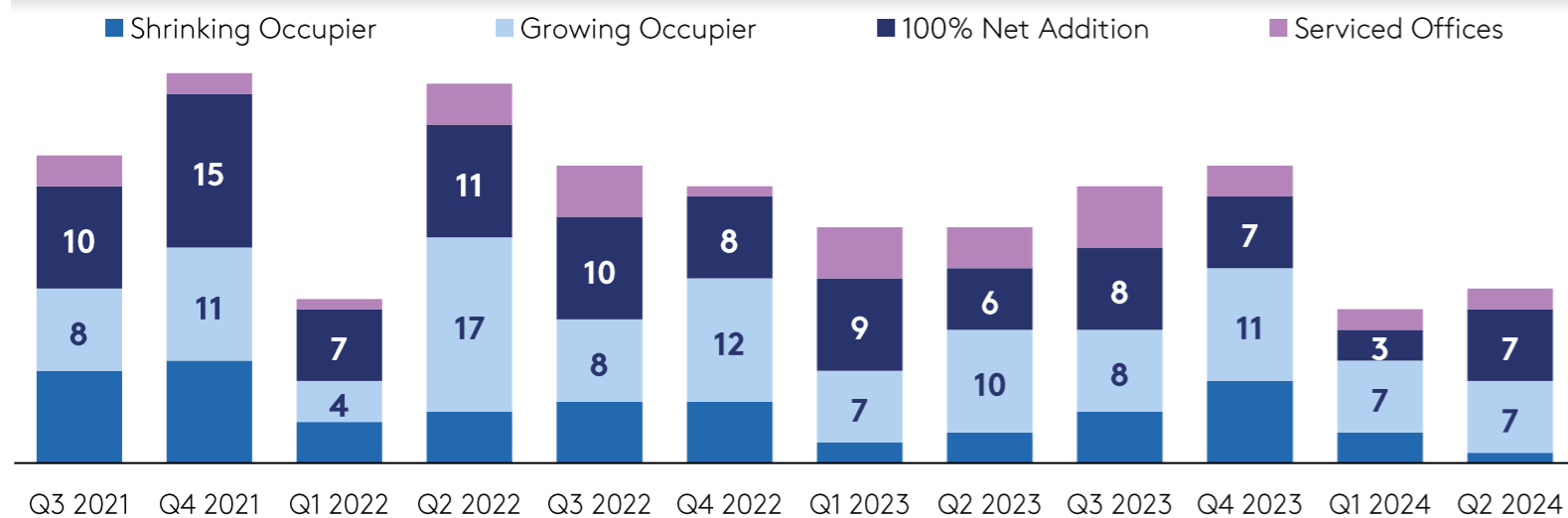
Source: C&W

Central London vacancy by building



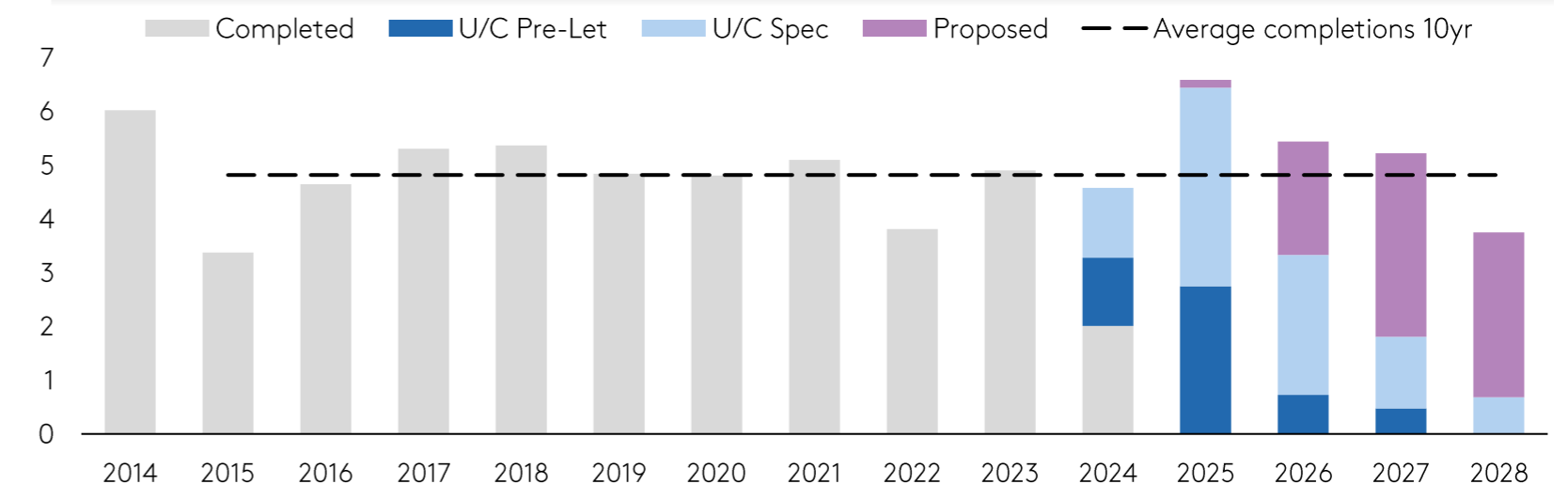
Source: JLL

Origin of take up of space over 20,000 sq ft



Source: CBRE

Central London Pipeline (million sq ft)



Source: Landsec & CBRE



# Important notice

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This presentation may contain certain 'forward-looking' statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances.

Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-looking statements.

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