



Press release

Title Landsec acquires a 92% stake in Liverpool ONE shopping centre
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Landsec announces that it has acquired a 92% stake in Liverpool ONE, one of the premier shopping centres in the UK, from a wholly owned subsidiary of the Abu Dhabi Investment Authority (“ADIA”) (69%) and Grosvenor (23%) for an overall consideration of £490m.

Of this total consideration, a payment of £35m to ADIA is deferred for two years. The income return on Landsec’s initial £455m outlay is expected to be c. 7.5%. The centre’s current rental income is 4% below ERV, so combined with the benefits of Landsec’s leading operating platform, strong brand relationships and further ERV growth, rental income is expected to grow meaningfully in the coming years.

The acquisition is in line with Landsec’s objective to grow its investment in major retail destinations, recycling the proceeds from its £464m of non-core sales earlier in the year. Landsec will now own and manage seven of the top-30 shopping centres in the UK, providing brands and visitors with a unique portfolio of regionally dominant, urban retail and leisure destinations.

Opened in 2008, Liverpool ONE is one of the most modern major retail destinations in the UK, offering a strong mix of retail, food and beverage, and leisure brands that attract footfall of 22 million people per year. Retail sales have grown by 5% over the past twelve months, with new leases signed 10% above ERV, relettings and renewals 5% above previous passing rent, and overall occupancy of 96%. This highlights that Liverpool ONE is well-placed to benefit from the continued focus on fewer, bigger and better stores from key brands, further exemplified by recent upsizes and new lettings with e.g. M&S, Sephora, Uniqlo and Zara.

The transaction includes certain performance-related overage provisions with ADIA. Including this, Landsec expects its investment to deliver an unlevered IRR in line with the guidance it provided at its recent half-year results. The transaction initially adds c. 2.7ppt to the company’s LTV and, upon refinancing the existing secured debt on the asset, is expected to add c. 1.3p to EPS on an annualised basis.

Mark Allan, Chief Executive Officer at Landsec said: “The top 1% of the UK’s shopping destinations provide brands with access to 30% of all in-store retail spend, which is why we continue to see brands focus on fewer, but bigger and better stores in the best locations. As such I am delighted that we have added another top-ten centre with a highly attractive return profile – meaning our unique portfolio now includes seven of the top 30 centres in the UK. Liverpool ONE already has a great line-up of brands in a thriving location and we look forward to building on this with our leading operating platform to further add to its exciting growth story.”



James Raynor, CEO, Grosvenor Property UK, added: “Liverpool ONE is a phenomenal destination and we’re incredibly proud of what we’ve accomplished with and for the City over the last 25 years. It’s not only one of the most remarkable regeneration stories, re-defining what long-term investment and partnership can achieve, it continues to be one of the UK’s most successful retail and leisure destinations. And, under the unified ownership and management of Landsec, we know it will continue to thrive.

“Looking ahead, we have ambitious plans to grow and diversify the business and we will reinvest the proceeds from the sale in our core portfolio including our 10-year programme of investment in London and residential debt business, which has supported the delivery of 3,370 homes in just 2 years.”

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About Landsec

At Landsec, we build and invest in buildings, spaces and partnerships to create sustainable places, connect communities and realise potential. We are one of the largest real estate companies in Europe, with a portfolio of retail, leisure, workspace and residential hubs. Landsec is shaping a better future by leading our industry on environmental and social sustainability while delivering value for our shareholders, great experiences for our guests and positive change for our communities.

Find out more at [landsec.com](https://www.landsec.com)