

## BUSINESS UPDATE

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British Land is publishing an update ahead of its Half Year results on 13 November 2023.

### **Simon Carter, CEO, said:**

"I am pleased with the continued momentum in the business. Operationally we are seeing strong leasing activity which reflects the exceptional quality of our portfolio and has resulted in our recent upgrade of the expected ERV growth in retail parks. We have also strengthened our balance sheet in the period and continue to actively recycle capital with the disposal of non-core assets ahead of book value. Meta's surrender of our building at 1 Triton Square also enables us to accelerate our plans to reposition Regent's Place as London's premier Innovation and Life Sciences campus."

### **Operational performance**

Achieved 1.2m sq ft of leasing across the portfolio in the first 5 months to 31 August 2023, 13.1% ahead of ERV, with a further 1.1m sq ft under offer, 17.4% ahead of ERV.

#### *Campuses*

- 262,000 sq ft of leasing completed 8.2% ahead of ERV, including 64,000 sq ft of Storey leasing, and a further 137,000 sq ft under offer, 10.5% ahead of ERV. In addition, we have 1.7m sq ft in negotiations as demand continues to gravitate to best in class space.
- Meta surrender of 1 Triton Square - one of the two buildings it has leased at Regent's Place - for £149m, received on 25 September 2023. Although this will result in a EPS dilution, post interest savings, of c.0.6p for the six months to March FY24 we are comfortable with current market expectations for FY24 due to better collection of historic COVID arrears than anticipated.
- Secured one of the UK's largest life science lettings this year, 48,000 sq ft of lab and office space at the Priestley Centre, Guildford to LGC, a leading global life science company.

#### *Retail*

- 980,000 sq ft of Retail leasing completed, 15.0% ahead of ERV, with a further 951,000 sq ft under offer, 19.4% ahead of ERV. This includes 511,000 sq ft of deals across Retail Parks, 15.3% ahead of ERV and 677,000 sq ft under offer at 19.4% above ERV.
- Upgraded Retail Park ERV growth guidance for FY24 from 2-4% to 3-5% as a result of strong leasing activity ahead of ERV.

### **Balance sheet and capital recycling**

- Exchanged on the sale of an office and data centre portfolio for £125m, a NIY of 4.6%, which delivered an IRR of 8.2% per annum since acquisition in 2007.
- As a result of the Meta surrender and the disposal of the office and data centre portfolio, March 2023 LTV of 36.0% on a pro-forma basis would be 33.6%.

- In August, Fitch affirmed British Land's senior unsecured credit rating at 'A' with Stable Outlook.
- Strong liquidity maintained, with £1.7bn of undrawn facilities and cash, with no requirement to refinance until early 2026.

**-ENDS-**

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**About British Land**

Our portfolio of high quality UK commercial property is focused on London Campuses and Retail & London Urban Logistics. We own or manage a portfolio valued at £13.0bn (British Land share: £8.9bn) as at 31 March 2023 making us one of Europe's largest listed real estate investment companies.

We create Places People Prefer, delivering the best, most sustainable places for our customers and communities. Our strategy is to leverage our best in class platform and proven expertise in development, repositioning and active management, investing behind two key themes: Campuses and Retail & London Urban Logistics.

Our three Campuses at Broadgate, Paddington Central and Regent's Place are dynamic neighbourhoods, attracting growth customers and sectors, and offering some of the best connected, highest quality and most sustainable space in London. We are delivering our fourth Campus at Canada Water, where we have planning consent to deliver 5m sq ft of residential, commercial, retail and community space over 53 acres. Our Campuses account for 63% of our portfolio.

Retail & London Urban Logistics accounts for 37% of the portfolio and is focused on retail parks which are aligned to the growth of convenience, online and last mile fulfilment. We are complementing this with urban logistics primarily in London, focused on development-led opportunities.

Sustainability is embedded throughout our business. Our approach is focused on three key pillars where British Land can create the most benefit: Greener Spaces, making our whole portfolio net zero carbon by 2030, Thriving Places, partnering to grow social value and wellbeing in the communities where we operate and Responsible Choices, advocating responsible business practices across British Land and throughout our supply chain, and maintaining robust governance structures.

Further details can be found on the British Land website at [www.britishland.com](http://www.britishland.com)