

# CANADA WATER

# Agenda

## Overview

Simon Carter, CEO

## Introduction to Canada Water

Emma Cariaga, Joint Head of Canada Water &  
Head of Residential

## Phase 1

Roger Madelin, Joint Head of Canada Water

## Strategic Programme

Phil Tait, Director of Development

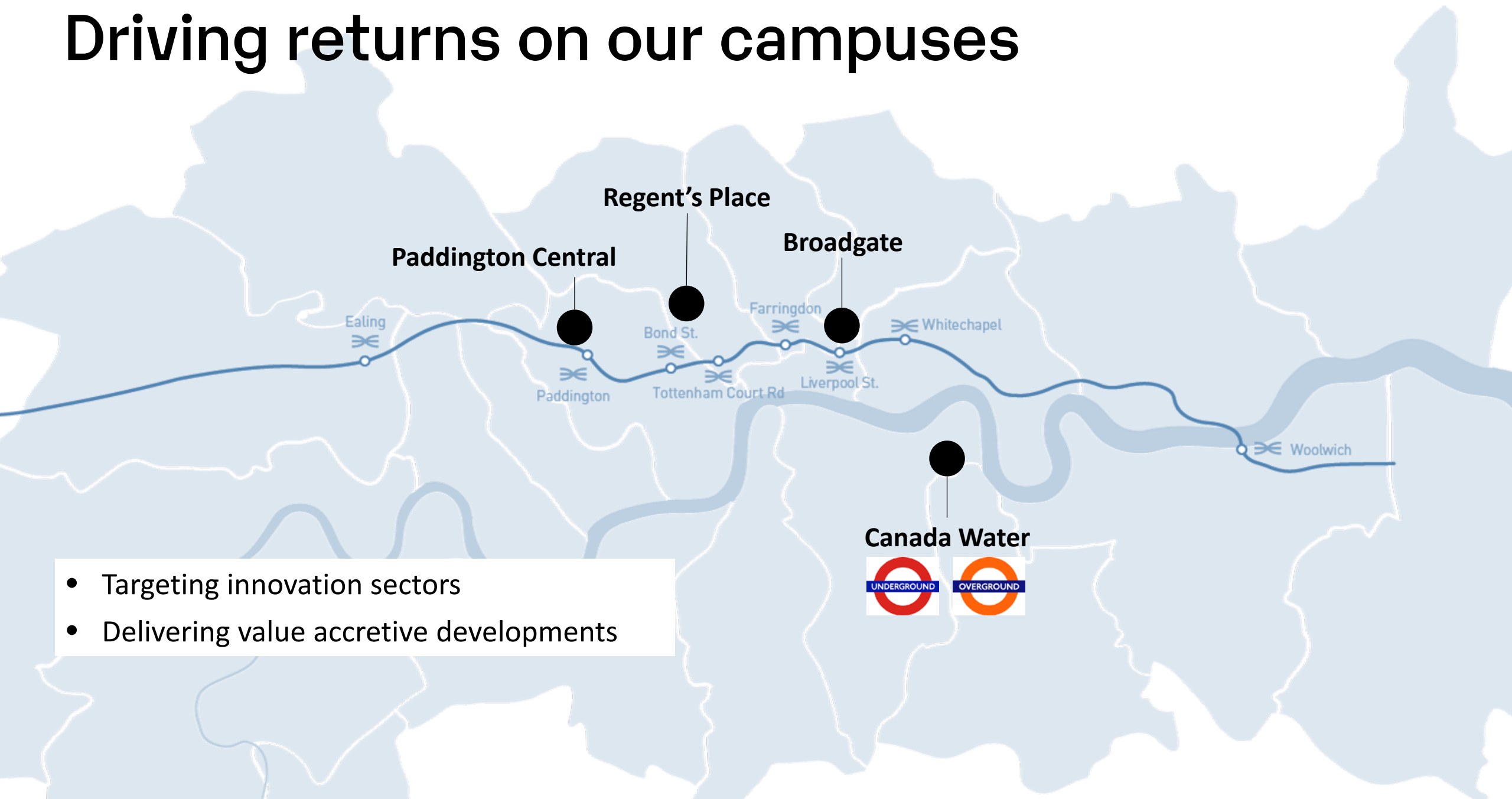
## Sustainability

Hannah Farahar, Project Director

## Indicative Financial Model

Bhavesh Mistry, CFO & Richard Hunt, Head of  
Analysis

# Driving returns on our campuses



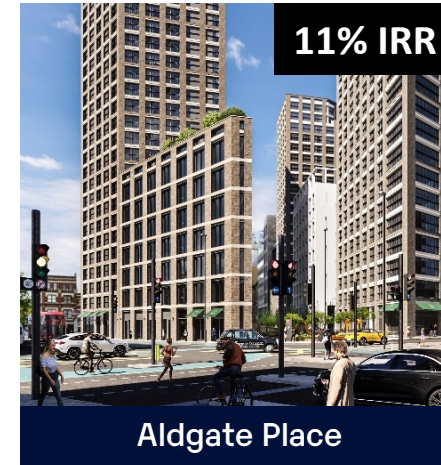
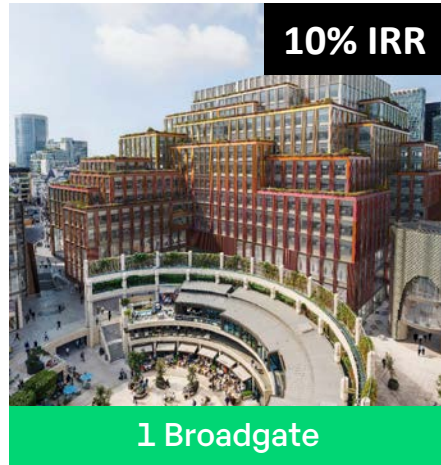
- Targeting innovation sectors
- Delivering value accretive developments

Canada Water



# London campus development pipeline

## Committed developments



## Near & medium term – targeting low teen IRRs



c.8m sq ft of pipeline opportunities on our campuses









# Canada Water Future



An aerial photograph of a city, likely London, with a red outline highlighting a specific urban development area. The area is located in the center-right of the image, near a large body of water (the River Thames). The development area is outlined in red and contains several large, modern buildings and green spaces. The text "Masterplan Headlines" is overlaid on the left side of the image.

# Masterplan Headlines

- 10 year scheme
- 53 acres
- Up to 3,000 homes (25% social rent, 10% intermediate homes)
- 2.5m sqft workspace
- 1.0m sqft retail, leisure, education, culture
- 12 acres of parks, squares and open spaces





# The Dock





# The Dock

- SINC status – works will improve ecological and biodiversity values
- New 150m long bridge



# The Dock



- New dipping pond





New  
3.5 acre park



# Phase 1







Phase 1 well  
and truly  
underway

Over £350m of  
works on site  
and committed

Phase 1  
completes in  
summer 2024





Plots A1 & A2



# Plot A1

- 118,000 sqft workspace
- 10,000 sqft of eating, drinking, shopping
- 35 storey resi tower with 186 homes
- Designed by Allies & Morrison
- Completes summer 2024

	Embodied Carbon	Operational Energy*
Office	600 kgCO <sub>2</sub> /m <sup>2</sup>	Base Build: 80 kWh/m <sup>2</sup>
Resi	682 kgCO <sub>2</sub> /m <sup>2</sup>	76 kWh/m <sup>2</sup>

\* target



# Plot A1









# Plot A2

- 182,000 sqft workspace
- 10,000 sqft of eating, drinking, shopping
- New 55,000 sqft leisure centre
- Designed by Allies & Morrison
- Completes summer 2024

	Embodied Carbon	Operational Energy*
Office	666 kgCO2/m2	Base Build: 80 kWh/m2

\* target



Terraces on every floor  
look over the dock



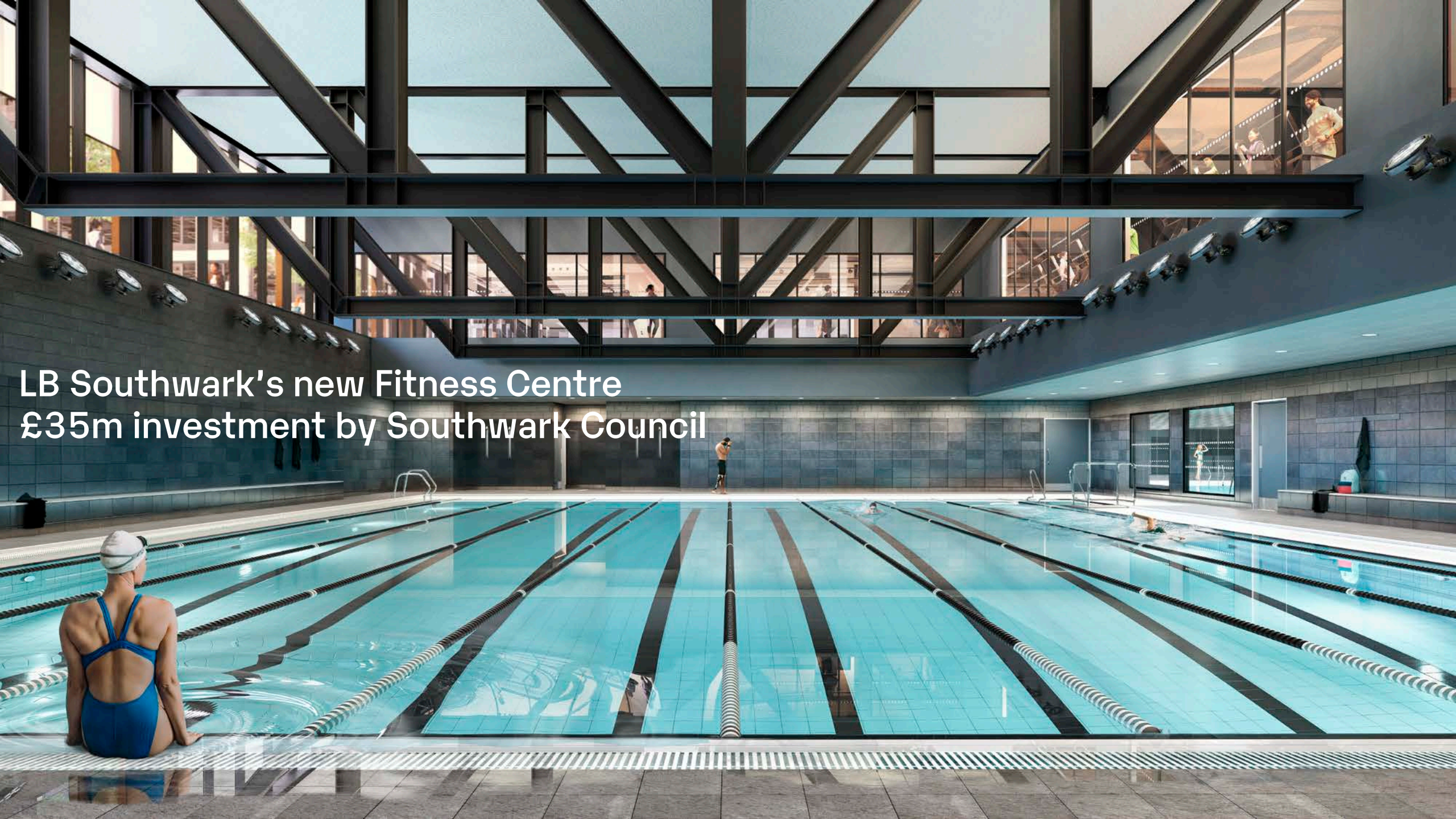


An architectural rendering of a modern multi-story building at dusk. The building features a grid of windows and balconies with wooden cladding. The ground floor is a large glass-fronted entrance. People are shown walking in the plaza and sitting on benches. Trees and foliage are visible in the foreground and background.

# New Southwark Fitness Centre

CANADA WATER





# LB Southwark's new Fitness Centre £35m investment by Southwark Council



# Plot K1

- 79 affordable homes
- Designed by Morris + Co.
- Forward purchased by Southwark Council for £18m
- Completes summer 2023

Embodied Carbon	Operational Energy
722 kgCO <sub>2</sub> /m <sup>2</sup>	76 kWh/m <sup>2</sup>



# Plot K1







**The New Paper Garden:** a circular economy building –  
and the largest Cordwood construction in the UK.



# TEDI LONDON



TEDI-London is a new higher education provider for future engineers, bridging engineering across many disciplines, including mechanical, electrical and electronic, civil, environmental and product design – founded by Arizona State University, King's College London and UNSW Sydney.

The first 10,000 sqft of the modular campus was handed over to TEDI-London in July, on time for their fitout and student intake in September



An aerial photograph of The Paper Yard, a rooftop garden in London. The image shows four interconnected buildings with a central courtyard. The rooftops are densely packed with various types of vegetation, including raised garden beds, hanging planters, and large trees. Numerous people are seen walking and sitting on the rooftop spaces. A large glass-enclosed structure is visible in the center. Solar panels are installed on the flat roof sections. The overall atmosphere is one of a vibrant, green urban space.

# The Paper Yard

- 75,000 sqft of modular space across four buildings
- Suitable for office use, dry and wet labs
- 10,000 sq ft let to TEDI-London, delivered within 9 months

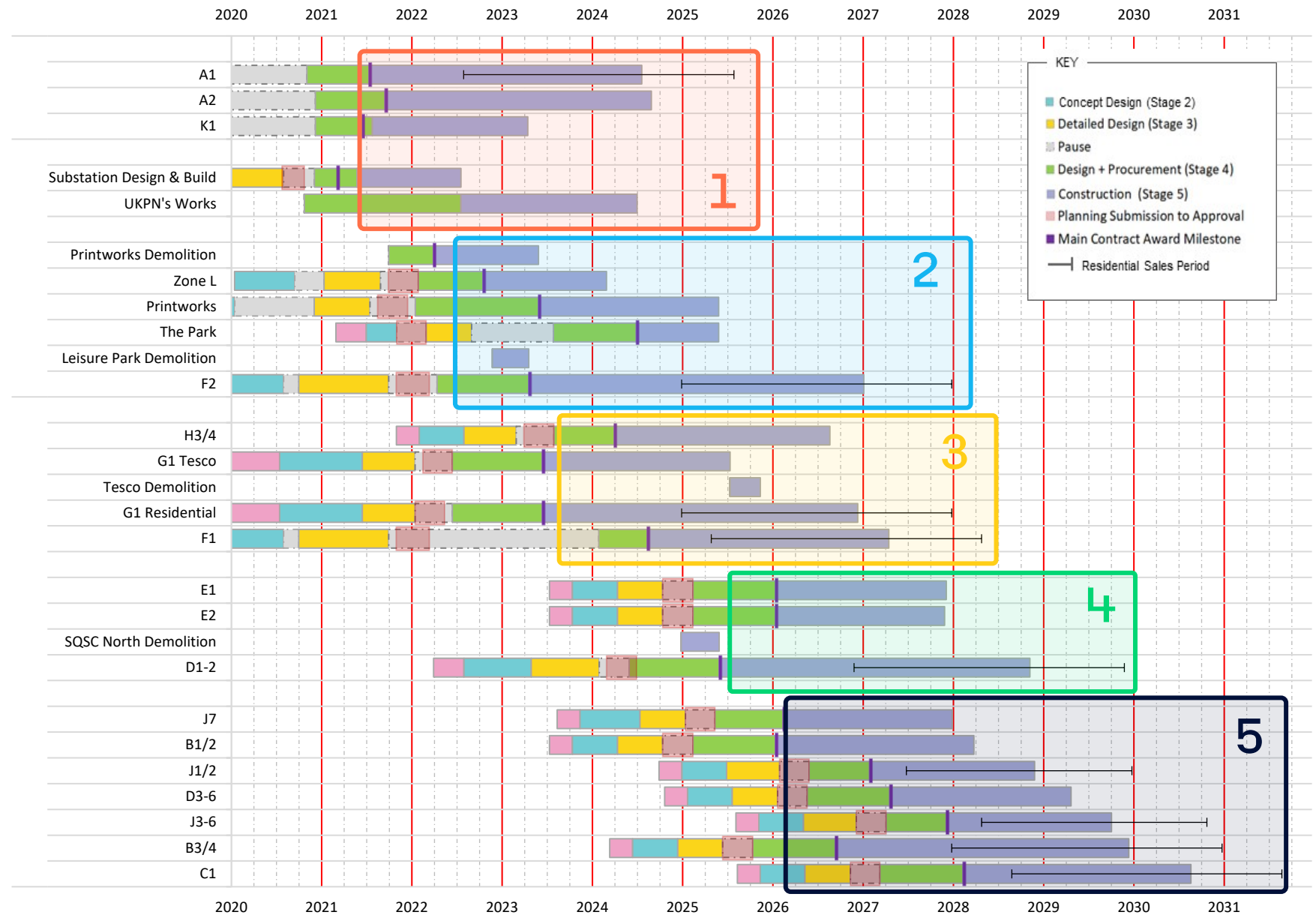


# Indicative Programme





# Indicative Programme & Phases





# Canada Water Phase 1



Q3 2021

Phase 1 commences  
Paper Yard Opens

Q3 2024

Phase 1 Complete





Phase 1



# Canada Water Phase 2



Q3 2021

Phase 1 commences  
Paper Yard Opens

Q3 2024

Phase 1 Complete

Q3 2025

Printworks Complete  
Park Opens

Q4 2026

Phase 2 Complete



# The Printworks







Zone F,  
Plot F2



# Canada Water Phase 3



Q3 2021

Phase 1 commences  
Paper Yard Opens

Q3 2024

Phase 1 Complete

Q3 2025

Printworks Complete  
Park Opens  
Tesco Relocate

Q4 2026

Phase 2 Complete

Q2 2027

Phase 3 Complete





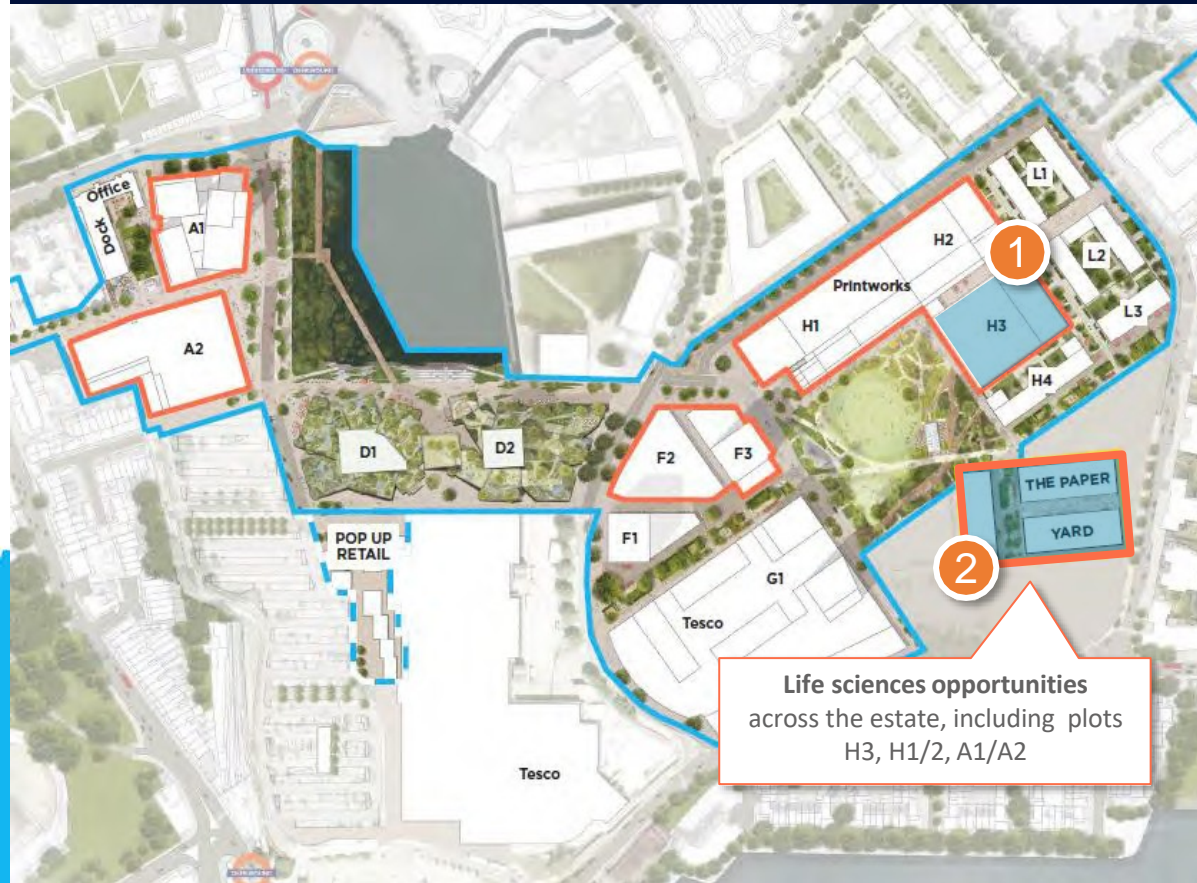
Artist's impression  
of Plot H3-4



# Innovation at Canada Water

Potential for up to 1m sq ft of life sciences space across several plots at Canada Water, including a new modular campus

1m sq ft of life sciences opportunities across the Masterplan



Examples of life sciences opportunities

1

Lab-enabled buildings



- 300k sq ft building designed for life sciences
- 50:50 office to labs, with potential to increase
- Unrivalled park-side location

2

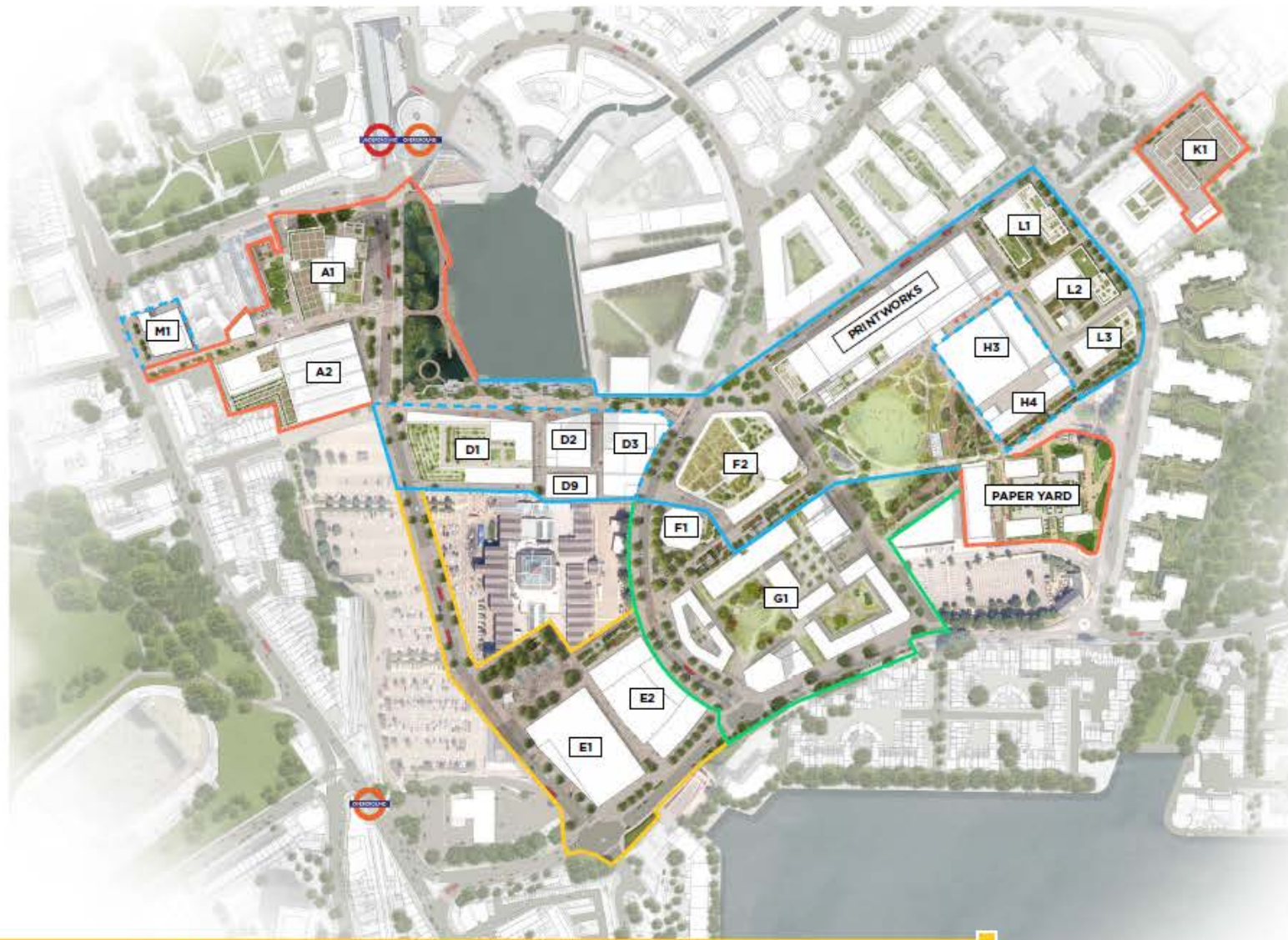
The Paper Yard



- New cluster around TEDI-London and Paper Garden
- 30k sq ft modular campus Deliverable in 12 months
- Targeting 'grow on' occupiers (1-5k sq ft) with fitted lab space



# Canada Water Phase 4



Q3 2021

Phase 1 commences  
Paper Yard Opens

Q3 2024

Phase 1 Complete

Q3 2025

Printworks Complete  
Park Opens  
Tesco Relocate

Q4 2026

Phase 2 Complete

Q2 2027

Phase 3 Complete  
Town Square Opens

Q4 2028

Phase 4 Complete



# Canada Water Phase 5



Q3 2021

Phase 1 commences  
Paper Yard Opens

Q3 2024

Phase 1 Complete

Q3 2025

Printworks Complete  
Park Opens  
Tesco Relocate

Q4 2026

Phase 2 Complete

Q2 2027

Phase 3 Complete  
Town Square Opens

Q4 2028

Phase 4 Complete

Q3 2030

Phase 5 Complete



# Sustainability Ambitions





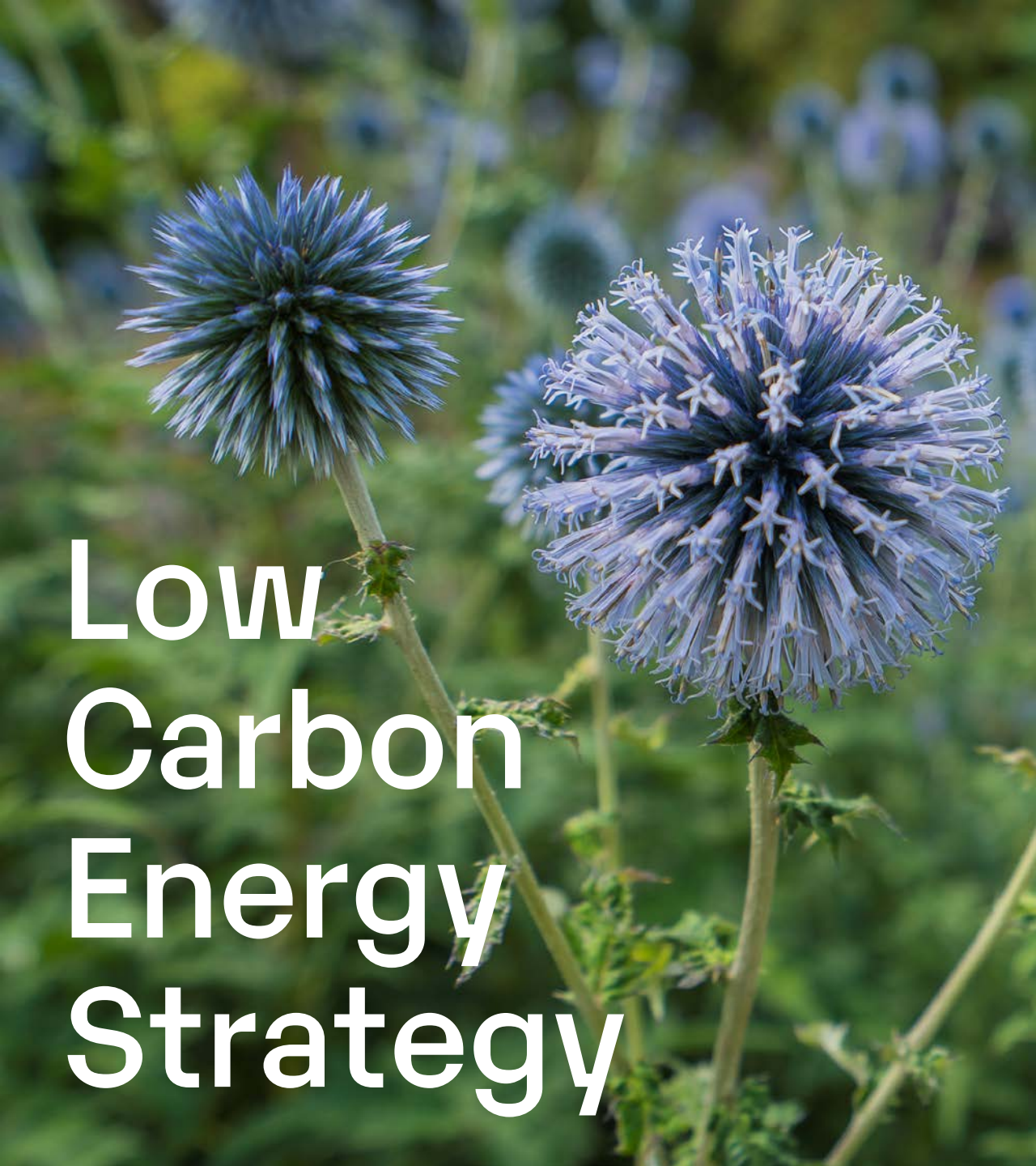
# Sustainability Ambitions

Bolder innovations,  
deeper partnerships,  
higher standards

‘Sustainability-first’ thinking  
integrated into everything we  
do and every decision we make,  
at every stage of the  
development.







# Low Carbon Energy Strategy

- British Land procures **100% renewable** energy
- **All-electric** energy approach with low temperature (ambient) heat networks
- BRE Applied Innovation Credit for **industry first - re-use of office waste heat** to heat residential homes. Now implemented across the masterplan.
- **First use of cement-free, Earth Friendly Concrete** (EFCTM), in permanent piling works in the UK – 45% carbon reduction
- **Ultra Low Carbon, reusable**, concrete cassettes – 80% reduction in embodied carbon, 40% fewer site deliveries





# Circular Economy Principles



From the adaptive re-use of the old Printworks to component-led, flexible design; circular economy principles are baked into the British Land design briefs from day 1.



# Higher standards



- **Largest cluster of BREEAM Outstanding buildings in the UK**
  - BREEAM Outstanding
  - BREEAM Communities
  - Home Quality Mark 3
- **Largest cluster of NABERS rated offices in the UK**
  - Energy rating tool for building services
  - All Canada Water buildings registered under NABERS
- **Some of the first SmartScore buildings in the UK**
  - Best-in-class, digitally intelligent buildings
  - All buildings at Canada Water will be smart



The background of the slide is composed of several overlapping, organic shapes in bright colors. A large blue shape covers the top and left portions. An orange shape is on the right side. A yellow shape is at the bottom left, and a green shape is at the bottom right. The text is centered within the blue area.

# Indicative financial model & assumptions



# Progressing JV partnership

British Land is well progressed in discussions with a partner who shares our vision for Canada Water. Current expectation is for a 50:50 joint venture. A partnership would combine funding from a leading international investor with our best in class operational platform.

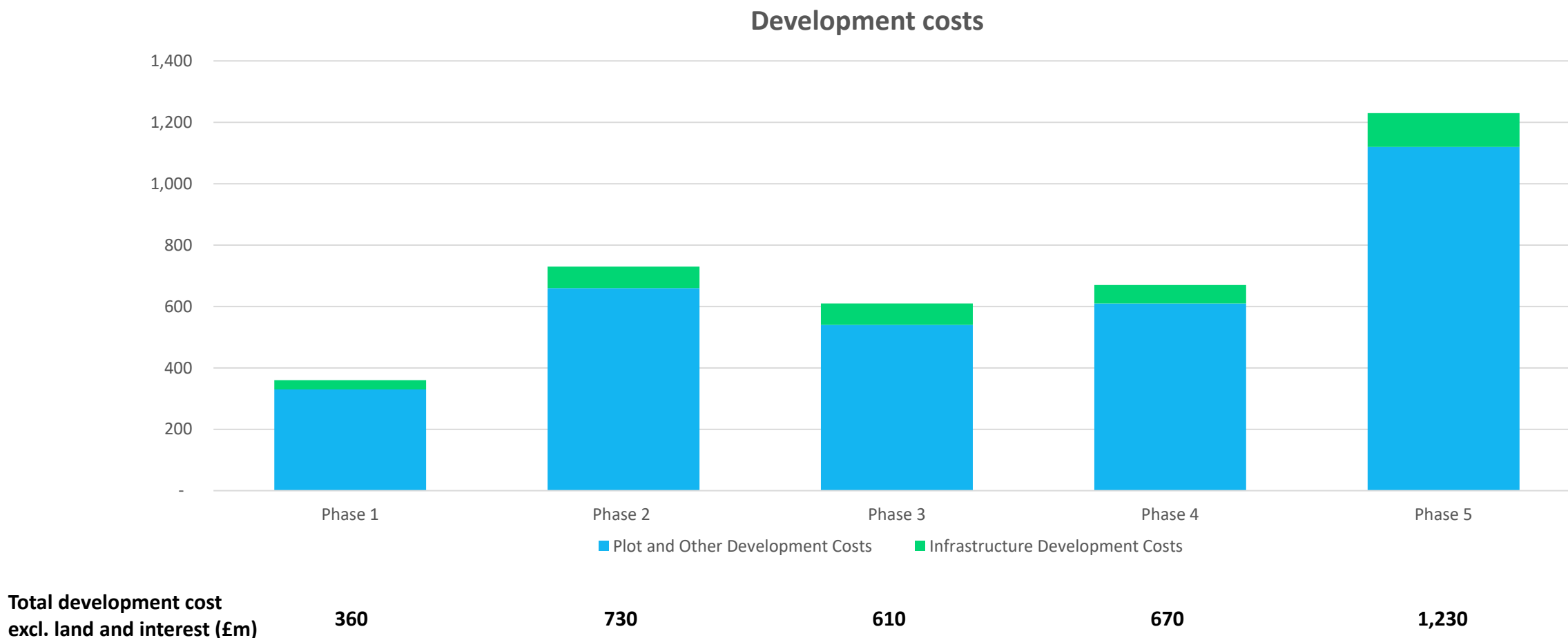
## Rationale for a JV

- Accelerates delivery of the Masterplan driving higher returns
- Leverages our best in class platform; BL will act as development and asset manager for which it will earn fees
- Reduces risk associated with a scheme of this size / duration
- Releases capital to invest in value accretive development and acquisitions



# Whole project development costs

Total development cost of c.£3.6bn<sup>1</sup>  
(including cost inflation, excluding land and interest)



Notes:

<sup>1</sup> Includes cost inflation at c.3% p.a. with more cost inflation in the earlier years

<sup>2</sup> Infrastructure costs (c.10% of total development costs) are allocated to phases and relate to the cost of public realm, provision of car parking, a new substation and other infrastructure works



# Key assumptions

## Commercial

	Rent - current day (psf)	Growth p.a. Market / Regeneration <sup>1</sup>	Yield at completion	Floor Area (NIA sq ft)
Offices	£47.50 - £52.50	2% / <2.5%	4.75% - 5.00%	2.5m
Retail & leisure	£16.00 - £35.00	2% / <3%	4.75% - 5.25%	0.5m

## Residential

	Values - current day (psf)	Growth p.a. Market / Regeneration <sup>1</sup>	Floor Area (NIA sq ft)
Private	£850 - £1,150	3.5% / <3%	2.0m <sup>2</sup>
Affordable (social)	£185	2% / 0%	
Affordable (intermediate)	£575	2% / 0%	

Notes:

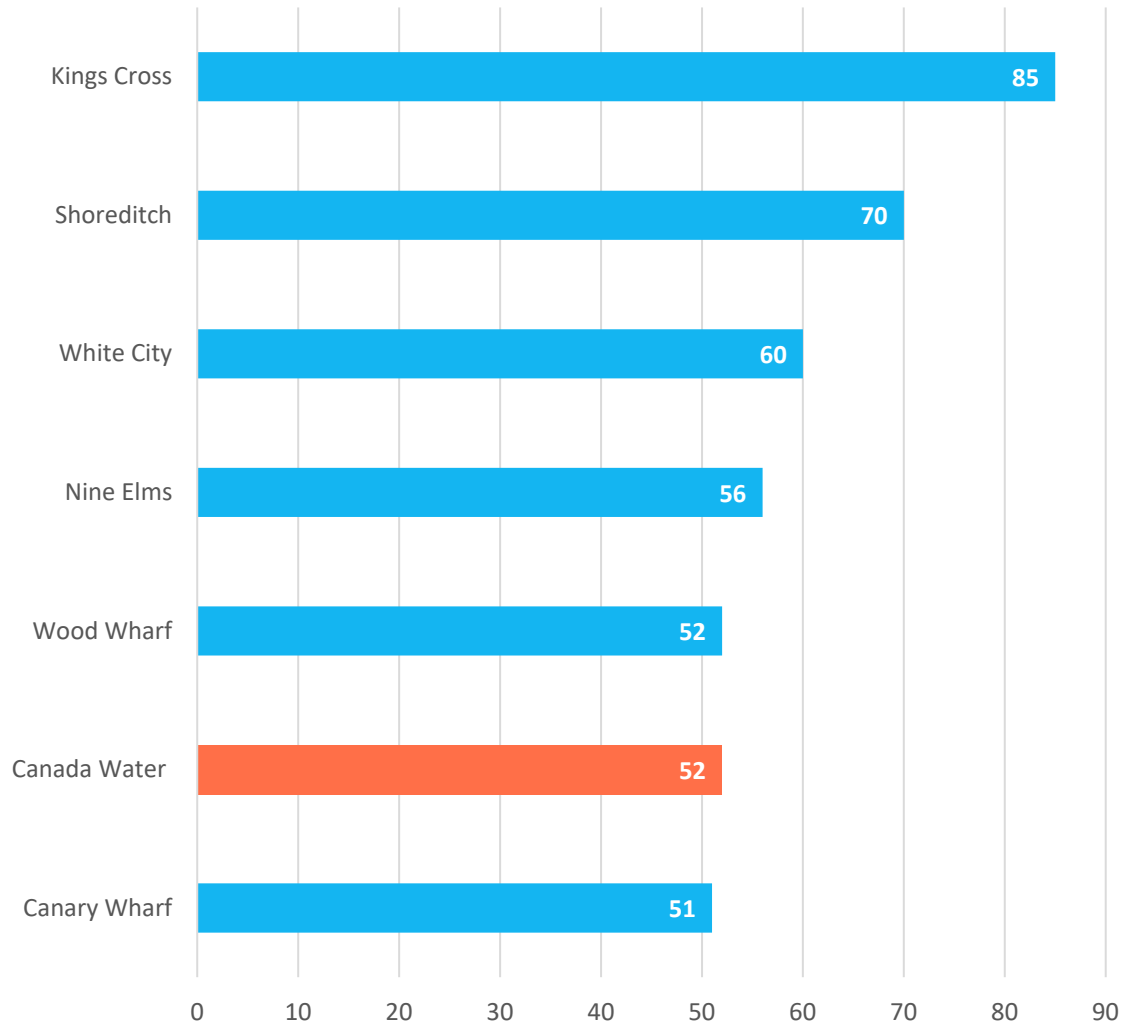
<sup>1</sup> Per annum regeneration impact will be greater in later phases

<sup>2</sup> 35% of habitable rooms will be affordable (split 70% social housing and 30% intermediate housing)

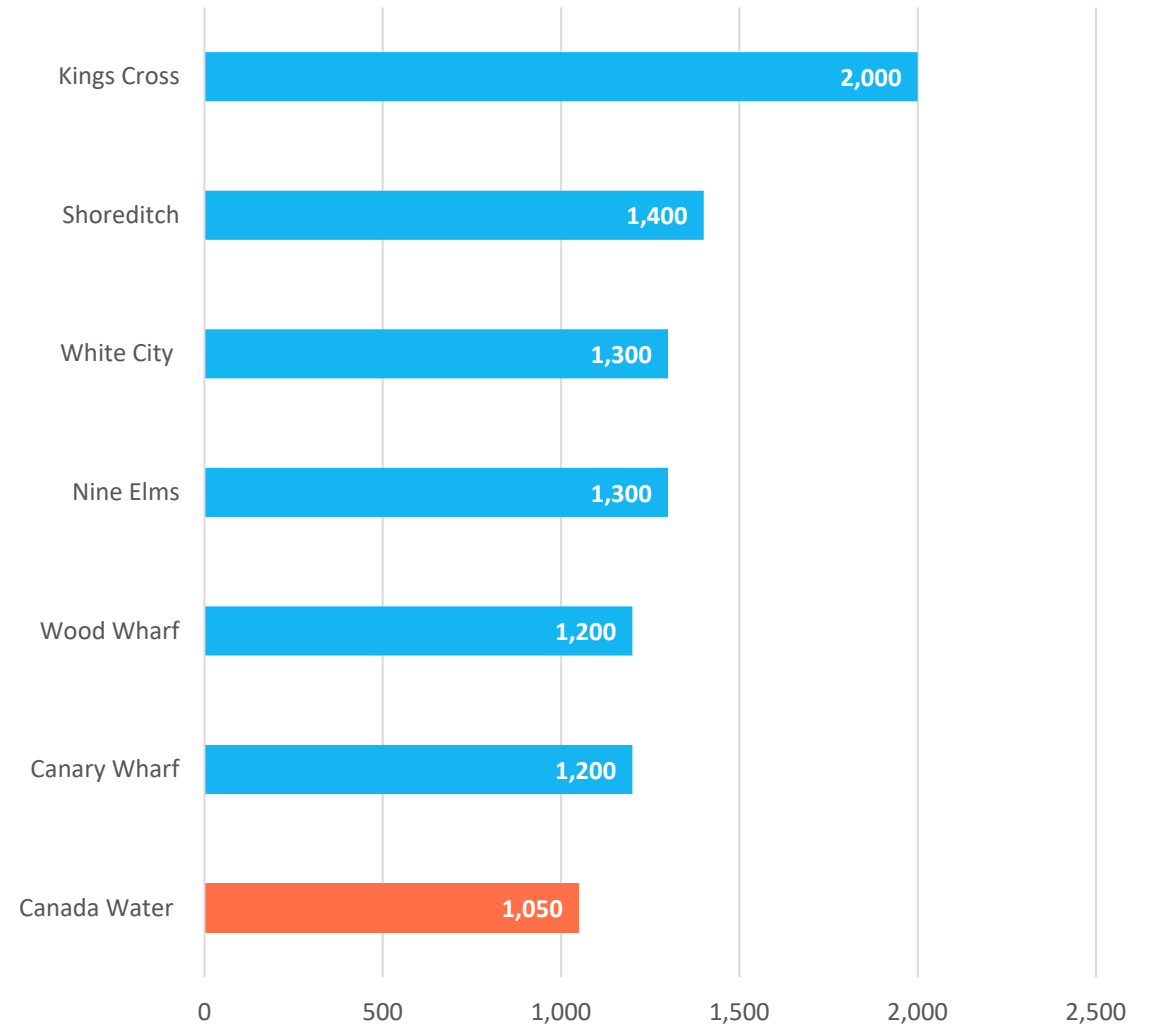


# Comparable offices rents & residential values

Current average offices rents, £psf



Current average residential capital value, £psf





# Indicative phasing plan & net development value

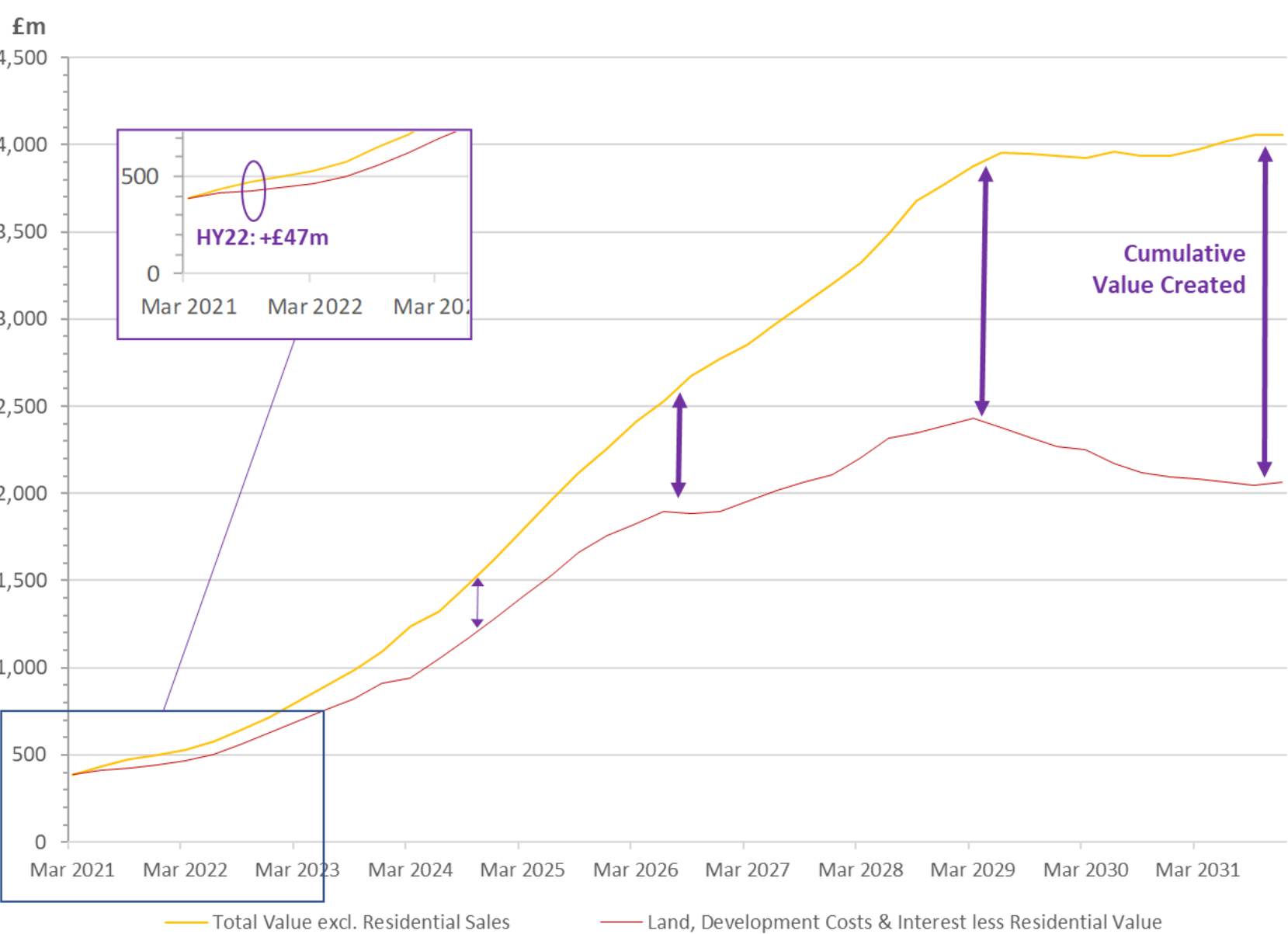
											Whole project																																
Calendar Year	2021				2022				2023				2024				2025				2026				2027				2028				2029				2030				NDV of commercial <sup>1</sup> £bn	ERV of commercial <sup>2</sup> £m	NDV of residential <sup>1</sup> £bn
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4											
Phase 1																																				0.3	16	0.2					
Phase 2																																									0.8	44	0.3
Phase 3																																									0.3	17	0.6
Phase 4																																									0.8	47	0.3
Phase 5																																									1.2	70	0.8
Total																																									3.4	194	2.2

Total NDV: £5.6bn

Notes:  
<sup>1</sup> Indicative net development value measured at PC plus void period  
<sup>2</sup> Estimated rental value of commercial element of each phase in 2031



# Value creation



11% forecast IRR for Phase 1 and low teens for total project (ungeared)

In any JV scenario, value created would be apportioned on a pro rata basis. British Land would be the asset and development manager for which we would earn fees





Thank You