

160 — TOOLEY STREET

LONDON SE1

A UNIQUE OPPORTUNITY
TO ACQUIRE THE FREEHOLD INTEREST
IN THE GRADE A HEADQUARTERS OF
THE LONDON BOROUGH OF SOUTHWARK
WITH IN EXCESS OF 20.5 YEARS UNEXPIRED TERM

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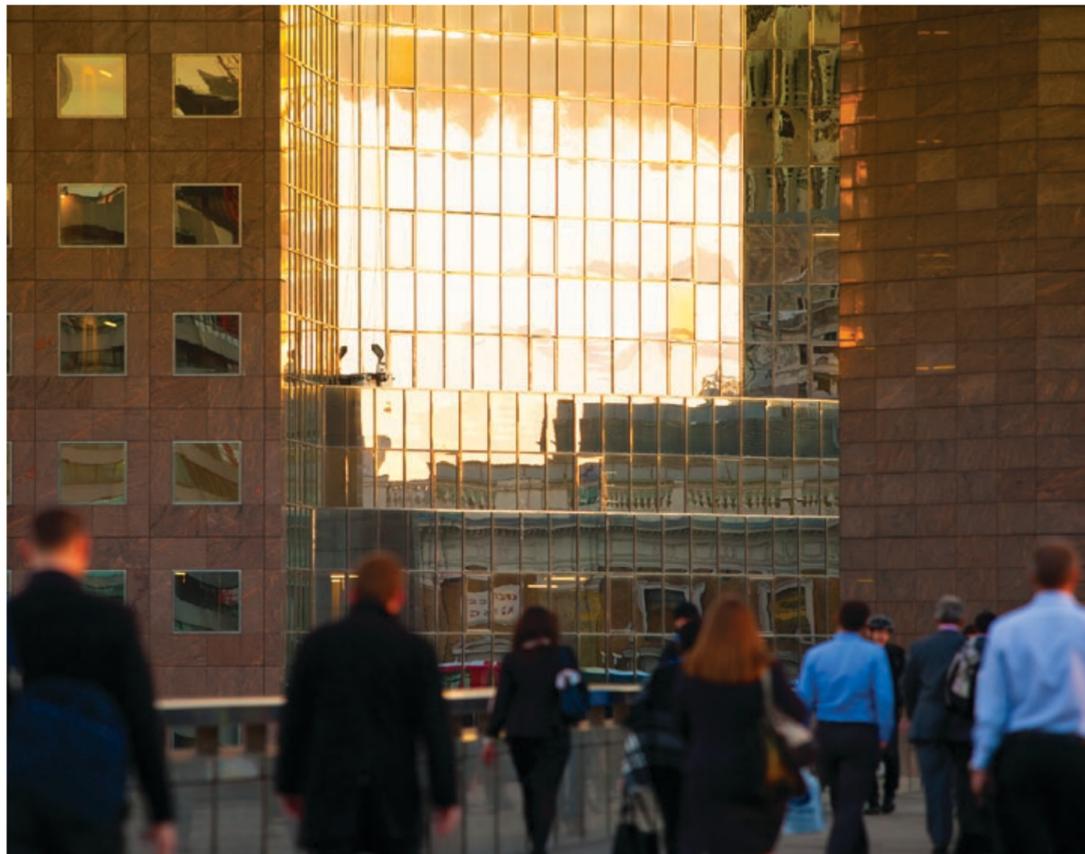
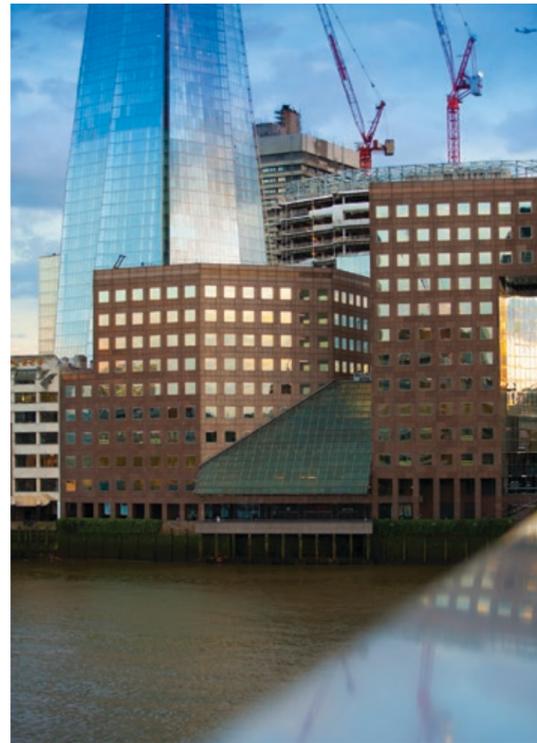


OVERVIEW

160 Tooley Street

- Freehold
- Central London, Grade A Headquarters Building
- Fully let to a U.K. Government covenant for in excess of 20.5 years
- Reversionary passing rent of £7,693,370 per annum, equating to only £37.48 per sq ft
- Built to highest environmental standards in 2008
- Offers are sought in excess of £150 million
- Guernsey Limited Company available for purchase along with significant capital allowances
- A purchase of the Guernsey Limited Company at this level reflects a net initial yield of 5.04% and a capital value of £730 per sq ft, assuming purchaser's costs of 1.8%

Aerial View
Looking West from Tower Bridge



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LONDON

Essential To The Global Markets

London remains one of the most important cities in the global market place. Its position as a world leader in terms of business and finance, art and design, music and heritage is unquestionable.

The city has always shaped itself to international demands and its flexibility has allowed it to maintain an elite status. This was brilliantly demonstrated during the hugely successful 2012 Olympics when London was showcased in all its glory. Development is key to flexibility, and despite the global downturn London remains a city for growth.

To further consolidate its position as an international city, and to support its continued growth, London is investing heavily in its transport infrastructure. The opening of Terminal 5 at Heathrow, projects such as Crossrail, and the considerable investment into the mainline stations, including major improvements at London Bridge, reinforce London's commitment to staying ahead of the pack.

The UK maintains an unrivalled reputation and enviable pedigree in the global property market. The firmly established, transparent and liquid market within London continues to attract significant investment into its property sector during these uncertain times. Supported by its global position as a financial and business leader, the London property market continues to be viewed throughout the world as an outstanding environment for secure, high quality property investments.



3.8M

Square Feet
New developments started in Central
London in 2012.



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SOUTHBANK

London's Fastest Growing Destination - Establishing The Third Core

Southbank is now well established as a core location in central London competing on every level with the traditional areas of the West End and the City. The district has long been seen as a significant cultural core and is home to many of London's most important institutions including The National Theatre, The Globe Theatre, Tate Modern and the White Cube Gallery.

Since the opening of the Jubilee Line extension in 1999, which links the West End and Mayfair to Canary Wharf, Southbank has become one of London's fastest growing business locations. The results of this growth can be seen in the stunning developments of More London, Blue Fin and the spectacular London Bridge Quarter. In 2012 the iconic Shard, Europe's tallest tower, was completed and Southbank's position as London's third core was confirmed.

Southbank continues to benefit enormously as an alternative to the West End and City markets as occupiers seek a more vibrant working environment, enhanced by a rich blend of restaurants, retail and contemporary culture.

160 Tooley Street occupies a prominent freehold site on the south side of the street. It is situated immediately opposite the hugely successful More London Estate with its impressive line up of corporate occupiers and the GLA (Greater London Authority). The site is bound by Shand Street to the West and Burnham Street to the East.

The Jubilee Line opening has proved to be the catalyst for an influx of corporate occupiers to Southbank. Tenants have relocated from London's traditional cores in search of a higher quality working environment without the need to compromise on build quality. Southbank is now a key property location in its own right. Occupiers from all sectors have been attracted to the area including: the media (Financial Times Group), banking (RBS and Lloyds), utilities (Petro Canada), accountancy (Ernst and Young, PWC,) and the legal profession (Lawrence Graham, Norton Rose).

The medical sector, including its research and education, has been established in Southbank for over 150 years, and the excellence of Guy's and St Thomas' Hospitals has drawn other notable academic institutions, including King's College and the LSE, to the area. The cultural tradition of Southbank is also longstanding with the Globe Theatre now occupying the same site as Shakespeare's original theatre. Other internationally recognised venues such as the National Theatre, Tate Modern and the White Cube Gallery have all taken up residence in this thriving district.

Borough Market has been a culinary tourist attraction for many years and the recent redevelopment of the Southbank Thames footpath has led to a flourishing and vibrant scene of restaurants, cafés and bars. The attraction and success of Southbank for employers and employees alike is abundantly clear.

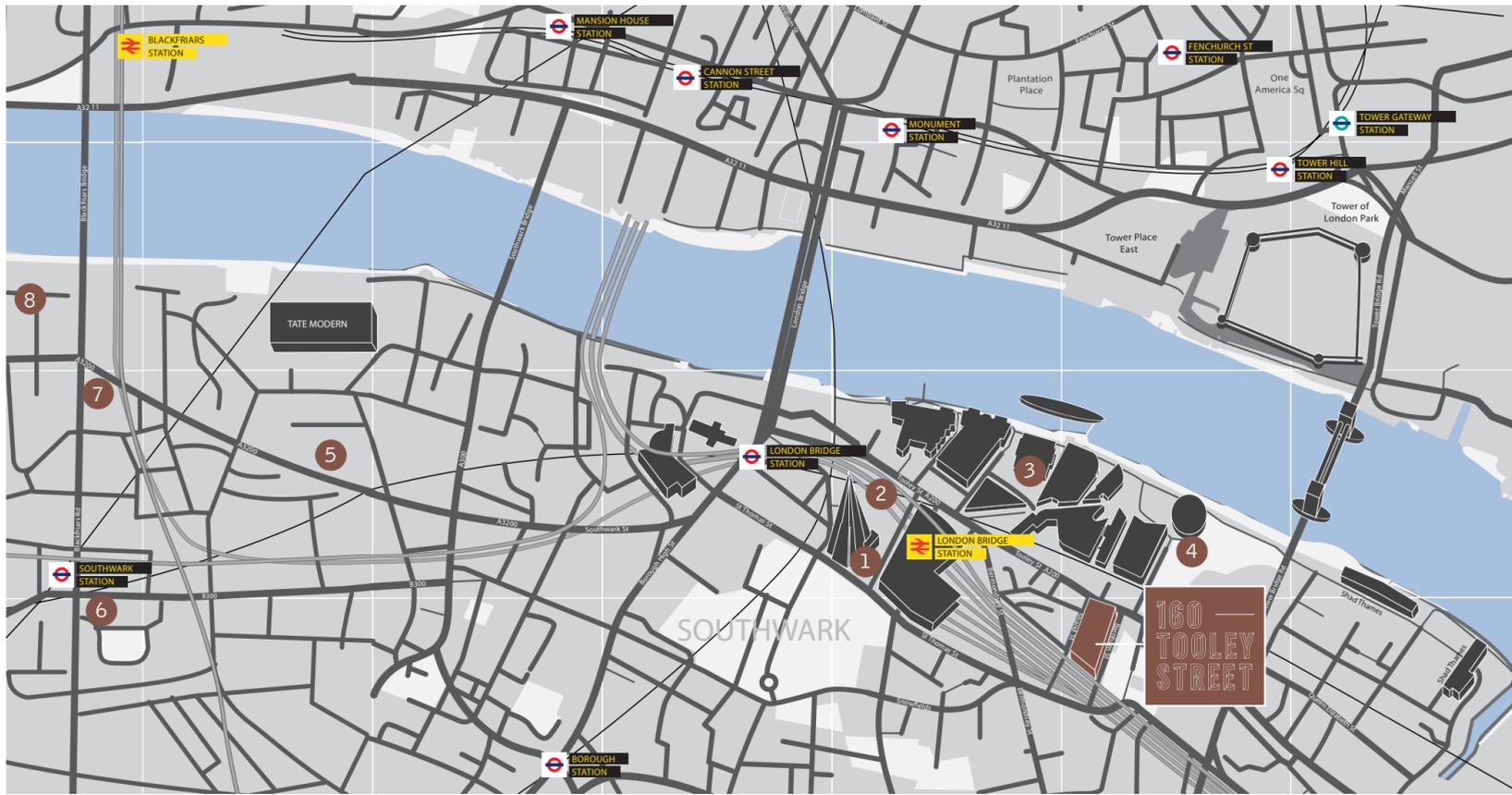
Local occupiers

- | | | | |
|---|--|---|---|
| 1 Greater London Authority and Mayors office
<i>GLA City Hall</i> | 6 Hilton Hotel
<i>5 More London</i> | 11 Price Waterhouse Cooper, Orient Express, Control Risks Group
<i>1 London Bridge</i> | 16 OFCOM
<i>Riverside House</i> |
| 2 Norton Rose, Regus, Climate Change Capital, EHRC
<i>3 More London</i> | 7 Ernst & Young
<i>1 More London</i> | 12 Conran Design, Packman Lucas
<i>Butlers Wharf</i> | 17 Artisan food market
<i>Borough Market</i> |
| 3 Lawrence Graham,
<i>4 More London</i> | 8 Affinity Sutton, TNS, Blue Rubicon
<i>6 More London</i> | 13 The Design Museum
<i>Shad Thames</i> | 18 Multiple small business occupiers
<i>The Hop Exchange</i> |
| 4 Price Waterhouse Cooper
<i>7 More London</i> | 9 Southwark Crown Court
<i>1 English Grounds</i> | 14 White Cube Gallery
<i>144 Bermondsey St</i> | 19 Norland Managed Services
<i>City Bridge House</i> |
| 5 Actis LLP, Hitachi Consulting, Montague Private Equity, Hg Capital, Terra Firma, London & Partners, Laytons
<i>2 More London</i> | 10 General Social Care Council, London Bridge Hospital
<i>Hays Galleria</i> | 15 Financial Times, FT.com
<i>Southwark Bridge Rd</i> | 20 Guy's & St Thomas' NHS Foundation Trust
<i>St Thomas Street</i> |



Latest Deals - Southwark

Property	Letting	Lease	Tenant	Headline Rent per sq ft
203 Blackfriars Road	21,000 sq ft	12 years	Overseas Dev. Institute	£41.00
240 Blackfriars Road	105,000 sq ft	15 years	UBM Plc	£47.00
2 More London	9,700 sq ft	10 years	Young & Rubicam	£42.50



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SOUTHWARK

London's Borough For Growth - Rental Overview

Southwark, which comprises 18.9 million sq ft of office accommodation, is fast becoming recognised as London's third core location for large office occupiers looking to benefit from occupational cost savings alone. The area is experiencing rising levels of occupier interest due to its ability to provide Grade A office accommodation at a rental discount when compared with the West End and City markets.

Historically Southwark has proved interesting to many blue chip companies looking to benefit from this economic effect alone, but with its unrivalled transport network, vibrant atmosphere and the increasing provision of outstanding office accommodation Southwark is fast becoming the location of choice. In conjunction with this success, the area is enjoying increasing interest from both investors and developers.

Although there is a significant demand for office space in Southwark, the available options for tenants are limited with only 1.02 million sq ft currently available reflecting 6.8% of the total office stock (2.9% excluding The Shard); one of the lowest proportions of available stock in central London.

With the recent completion of The Shard, which is situated at the western end of Tooley Street approximately 300 yards from the property, Southwark has confirmed its position within the central London office market. Prime headline rents increased by more than 10% from £42 to £47 per sq ft in the first quarter of 2012.

Lettings in The Shard are expected to reinforce this rental growth with the quoted rents of £65-£55 per sq ft bringing Southwark into line with prime City of London rents. It is widely anticipated this will re-grade all rental levels within Southwark with rents considerably in excess of £45 per sq ft becoming the norm for existing Grade A stock.

It is our view that this strengthening demand, limited supply and recalibration of rental levels will generate further rental growth in Southwark over the next two rent review cycles. In the coming 5 years we anticipate that rents will be agreed in excess of £65 per sq ft for new Grade A accommodation representing a near 50% rental growth from current levels.



1 **The Shard**
Only 300 yards from 160 Tooley Street, this development encapsulates Southwark's future as a major office location. The development by The Sellar Group and Qatari Diar, completed in 2012 includes the iconic landmark development The Shard which at 80 Storeys is Europe's tallest building.



2 **London Bridge Quarter**
In total the mixed use development will provide approximately 1.8 million sq ft of offices, 61,000 sq ft of residential, 14,000 sq ft of retail and a 195 bed hotel which has been let to The Shangri La Hotel Group on a 30 year lease at £50 per sq ft. The offices are widely expected to let at new record levels for Southwark of between £65 - £55 per sq ft.



3 **More London Estate**
Situated directly opposite 160 Tooley Street, this award winning, 13 acre development by C.I.T Group fronts on to the River Thames, west of Tower Bridge. The scheme comprises approximately 3 million sq ft of predominantly office accommodation but its vibrant mix of retail and leisure uses has made this a centrepiece of Southwark's office market. Attracting tenants such as Norton Rose, Lawrence Graham and Price Waterhouse Cooper, More London has achieved rents as high as £47 per sq ft.



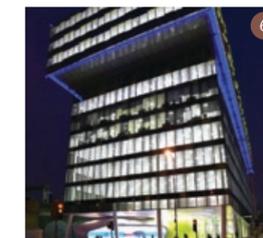
4 **City Hall**
Forming part of the More London Estate, City Hall is home to the Greater London Authority (GLA). The Foster & Partners designed building has become a well known London landmark and comprises 185,000 sq ft. It was occupied by the GLA on its completion in 2006.



5 **Blue Fin & Bankside 2 & 3**
Completed in 2007 by Land Securities. This development comprises three new, Grade A office buildings with retail and leisure totalling 850,000 sq ft directly to the south of the Tate Modern Gallery. The Blue Fin building was purchased by publisher IPC Media, and Bankside 2 + 3 were let to Royal Bank of Scotland.



7 **240 Blackfriars Road**
A new development by Great Portland Estates comprising 230,000 sq ft of offices, 5,000 sq ft of retail and 9,000 sq ft of residential. In January 2012, GPE announced a pre-let of 105,000 sq ft to UBM PLC on a 15 year lease at a headline rent of £47 per sq ft. The property is due for completion in March 2014 and underlines the strength in the Southwark office market at present.



6 **Palestra**
The RIBA award winning office development comprising 300,000 sq ft was completed in 2006. The building was let to Transport for London at £39 per sq ft on a 20 year lease following the surrender of their agreement to lease at The Shard. Currently under offer following marketing at 5.2%.



8 **King's Reach Tower**
Construction is due to begin on this 30 storey tower building after developer C.I.T secured funding of £250 million from a consortium of Middle Eastern investors, including ABC International Bank and MASICS. The development will provide 370,000 sq ft of offices, 173 residential flats and 72,000 sq ft of retail.

£47

Headline rents per sq ft
Now being achieved in SE1



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TRANSPORT

Southwark - London's Transportation Interchange

Southwark's excellent transport connections have played a significant role in the rapid rise of property values in the area. London Bridge Station, a 3 minute walk to the west of 160 Tooley street, serves 54 million passengers annually and is increasingly seen as one of London's most important transport hubs. The station is set to be overhauled as part of the Government's £6 billion Thames Link Project, and by 2018 it will connect with the Crossrail service via Farringdon Station.

Southwark is also a truly international gateway. The Northern Line from London Bridge connects to King's Cross and St Pancras Stations where the Eurostar provides a regular service to Brussels (home of the EU) and Paris.

In addition to the overland links, London Bridge also provides access to the Jubilee and Northern Lines of the London Underground. The Jubilee Line connects London Bridge to both Mayfair, via Bond Street and Canary Wharf within a 10 minute journey; Westminster and the Houses of Parliament can be reached within 5 minutes.

London's major international airports are all within a 45 minute journey from London Bridge. Gatwick is serviced directly from London Bridge Station, and Heathrow Airport is a 15 minute journey from Paddington which is accessed via the Bakerloo Line from Waterloo. City Airport is a 20 minute taxi ride from the property, or can be reached by a 25 minute journey via the Jubilee Line to Stratford and onwards via the Docklands Light Railway.



Connectivity

Travel Times From 160 Tooley Street

*times based from London Bridge Station

Westminster	5 minutes	Waterloo	3 minutes
Canary Wharf	7 minutes	Liverpool Street	15 minutes
Bond Street	8 minutes	Stratford	18 minutes
City Airport	25 minutes	Marylebone	20 minutes
Gatwick Airport	30 minutes	Eurostar St Pancras	20 minutes
Heathrow Airport	45 minutes	Paddington	25 minutes

54

Million People
Use London Bridge Station
per year.

The building has been designed to **minimise its impact on the environment**. It combines a range of technology to **reduce energy consumption**, which is derived from renewable sources.

Automatic lighting control systems

The lighting systems are automated to operate only when required to reduce energy consumption. The system can be programmed to match the particular office layout. The controls maximise the use of daylight at the perimeter and operate on presence detection.

Excellent facade thermal performance

The facade is typically 50-60% glazed compared with many recently completed London offices which are almost fully glazed. High levels of glazing increase heat losses and solar gains, impacting on air conditioning demand. The double glazed unit is solar protecting and has a low-emissivity coating providing reductions on cooling and heating demand and allowing the use of a floor plenum air supply system.

Under floor air supply

A raised floor acts as a pressurised plenum with floor supply air grilles. The system operates on the displacement principle, allowing for a higher supply air temperature from the floor and a stratified warm air layer above the occupied zones, contributing to comfort, performance and energy savings of 10 to 20% over conventional systems. For example, fan coil units, common in City offices, use more energy due to the lower supply air temperature and the need for a high velocity mixed system which does not allow the air to stratify.

Solar thermal heating

The domestic hot water demand is supplemented by an array of evacuated tube solar thermal panels on the roof. The solar thermal heating is a source of on site renewable energy and contributes to the on site renewable energy component of the building in compliance with the GLA Energy Plan.

Biomass fuel heating

The space heating base loads are provided by a biomass fuelled, high efficiency boiler. There is a fuel delivery point at ground level and automated feed bulk storage provision in the basement. The biomass heating is a source of on site renewable energy and contributes to the on site renewable energy component of the building in compliance with the GLA Energy Plan.

Rainwater harvesting

Rainwater is collected from the building roof and stored at basement level. This water is then used for WC flushing, reducing the potable water consumption of the building.

Energy efficient plant

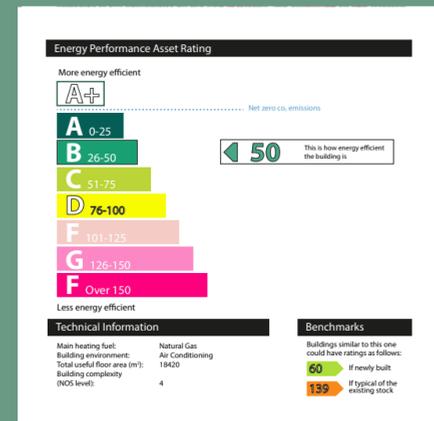
In addition to the biomass boiler, the energy plant consists of condensing boilers and air cooled chillers. Condensing boilers run up to 95% efficiency. Conventional boilers typically operate at 80 to 85% efficiency. The operation of chillers is reduced by using the floor supply system. This supplies outside air directly and more often than conventional systems.

Heat recovery

The central ventilation air handling units consist of thermal recovery wheels which recover heat from warm office extract-air. Typically, offices only use recirculation as a form of heat recovery. At 160 Tooley Street the systems use a combination of re-circulated air and heated outside air to achieve maximum efficiency and maintain required air quality.

Exposed concrete structure

The exposed concrete structure provides thermal mass which assists with stabilising temperature conditions throughout the day. During the night, cooler air is passed over the structural slabs. The mass retains the cool to provide passive radiant cooling during daytime peaks. In City offices, where a false ceiling is used, the environmental benefits of the structure cannot be utilised.



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THE BUILDING

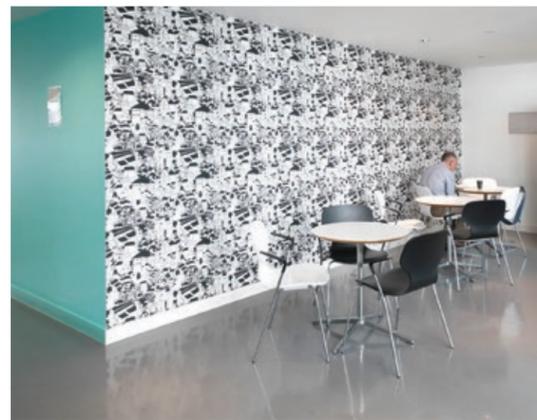
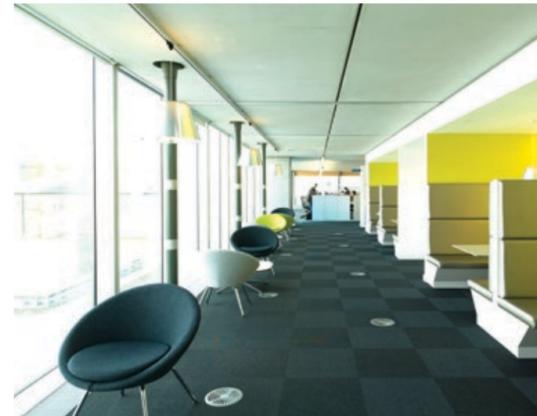
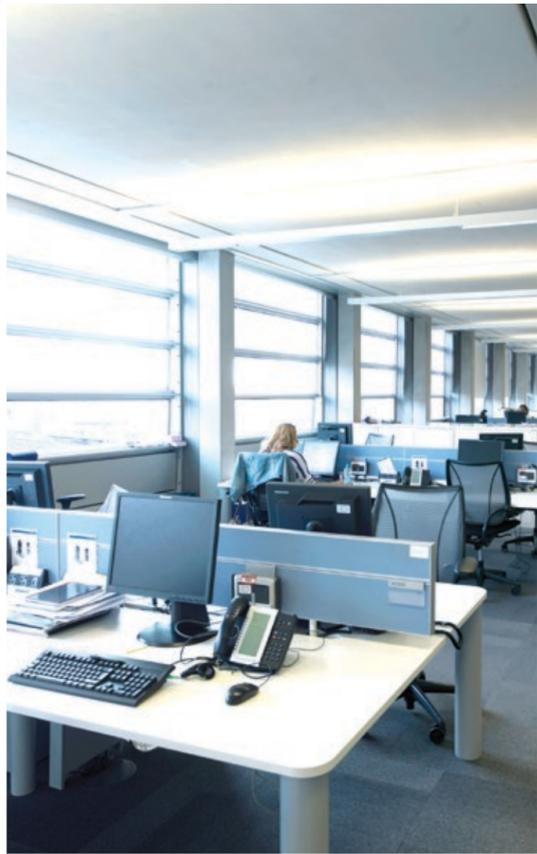
Combines State Of The Art Environmental Technology With Sympathetic And Contemporary Design To Provide A Highly Specified And Sophisticated Grade A Headquarters Office.

160 Tooley Street was designed by architects Allford Hall Monaghan Morris and developed by leading London property company Great Portland Estates in June 2008. It comprises a detached mixed use building over lower ground, ground and five upper floors providing approximately 205,236 sq ft (net) of, predominantly, office accommodation. The design of the property retains the character and charm of its Victorian façade and fully integrates it with the modern office accommodation to the rear.

The property encapsulates Southwark's commitment to maintaining its Victorian heritage and its ambitions for the future in the modern building. The offices have achieved a BREEAM rating of "very good". The entire building was designed to run as efficiently as possible to reduce costs to the occupier and has been acclaimed by CIRIA as possibly the most efficient commercial project in London.

For example, modelling by the M&E consultants, Arup, suggest that the night cooling and displacement ventilation would save 20-30% of the energy used by conventional systems. Part L of the Building Regulations, covering energy conservation, calculates that 160 Tooley Street showed a 28% saving in energy use per sq m compared to a conventional office building.





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Outstanding Specification

The drive for efficiency from the property has not come at the cost of design or specification. The office accommodation provides everything the modern occupier requires whilst employing the latest technologies available to improve the energy efficiency and "green" credentials of the property.

The Grade A accommodation sits behind the retained Victorian façade and is accessed via a dramatic entrance hallway and atrium.

Two pipe fan coil air conditioning systems are fitted throughout the retained property with fully accessible raised floors. An atrium and full height glazing along the flanks of the property ensure excellent natural light to all office areas. The office accommodation is serviced by six lifts; four dedicated passenger lifts plus one combined passenger and goods lift servicing the new element of the property and one lift servicing the retained part of the property.

On the fifth floor, access is provided to a roof terrace and stunning views can be enjoyed north across The City and Tower Bridge, whilst to the west are unrivalled views of The Shard. Five serviced apartments are provided in the retained buildings on the first to third floors. Retail A1/ A2 and A3 units are provided at ground and basement floors. All of these ancillary areas are currently fully utilised by the tenant.

- BREEAM Rating "Very Good"
- 6 Passenger Lifts
- Efficient Air Handling & Conditioning Throughout
- Fully Accessible Raised Floors
- Male & Female WC's On Each Floor





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SCHEDULE OF AREAS

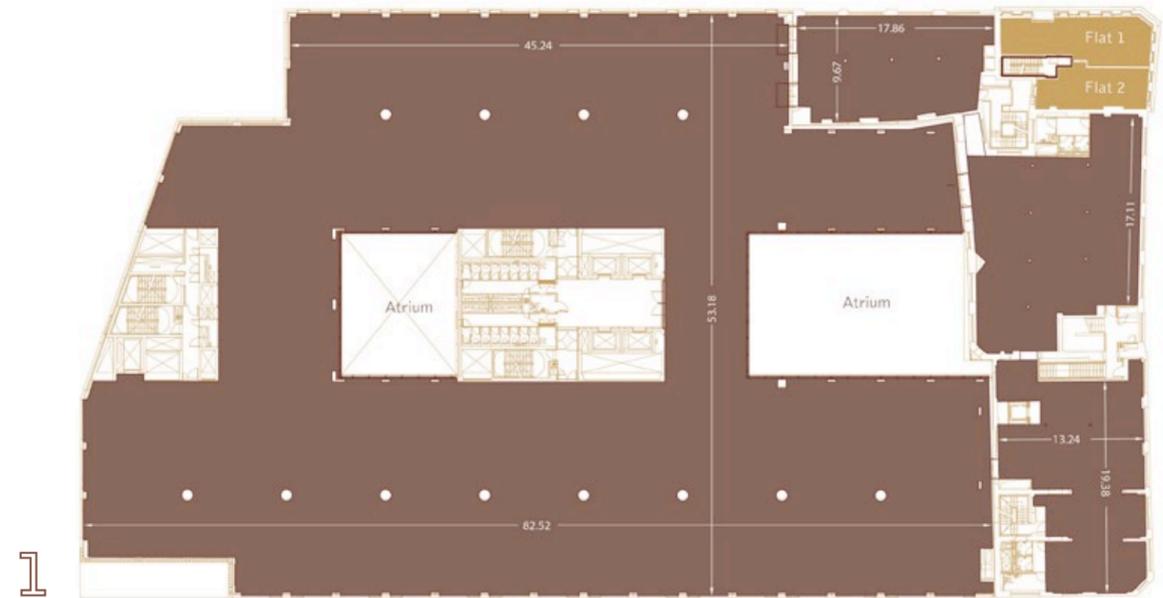
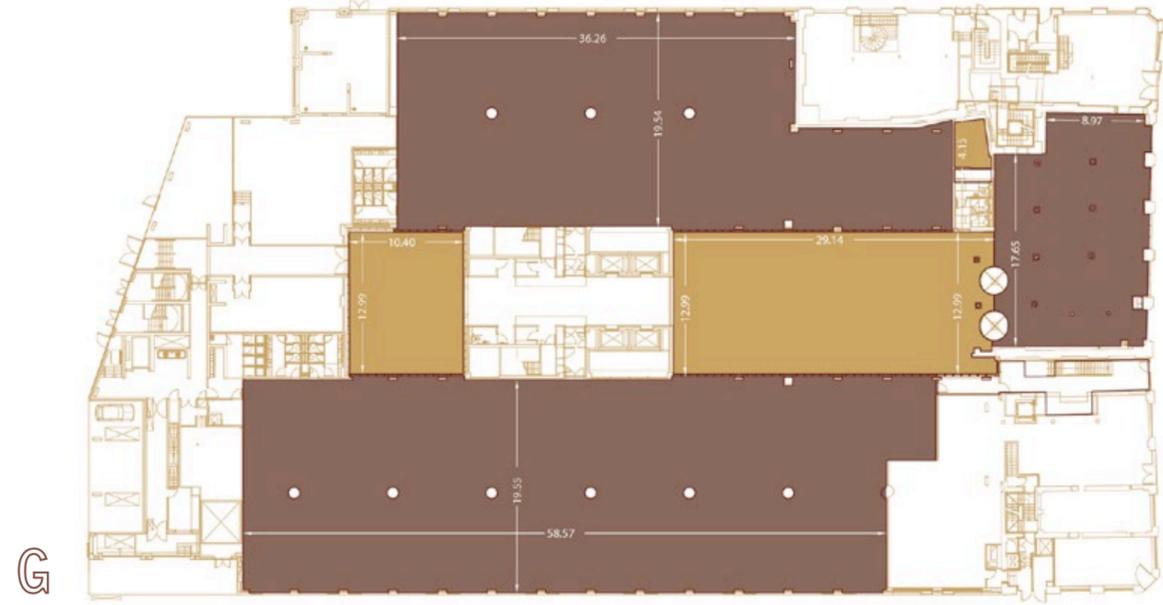
Floor	Use	Area Sq M	Area Sq Ft
Fifth	Offices	2,160.9	23,260
Fourth	Roof Terrace	125.5	1,351
Fourth	Offices	2,587.2	27,848
Third	Offices	3,378.6	36,367
Second	Offices	3,626.2	39,032
First	Offices	3,585.0	38,589
Ground	Offices	2,030.0	21,851
Basement	Ancillary	377.2	4,060
NIA		17,870.6	192,358
Third	Residential	84.2	906
Second	Residential	88.4	951
First	Residential	89.4	962
NIA		262.0	2,819
1 Shand Street			
Unit 1 Gnd	Retail	223.5	2,406
Unit 1 Bst	Retail	230.8	2,484
Unit 2 Gnd	Retail	331.2	3,565
Unit 2 Bst	Retail	149.0	1,604
NIA		934.5	10,059
Total NIA		19,067.1	205,236

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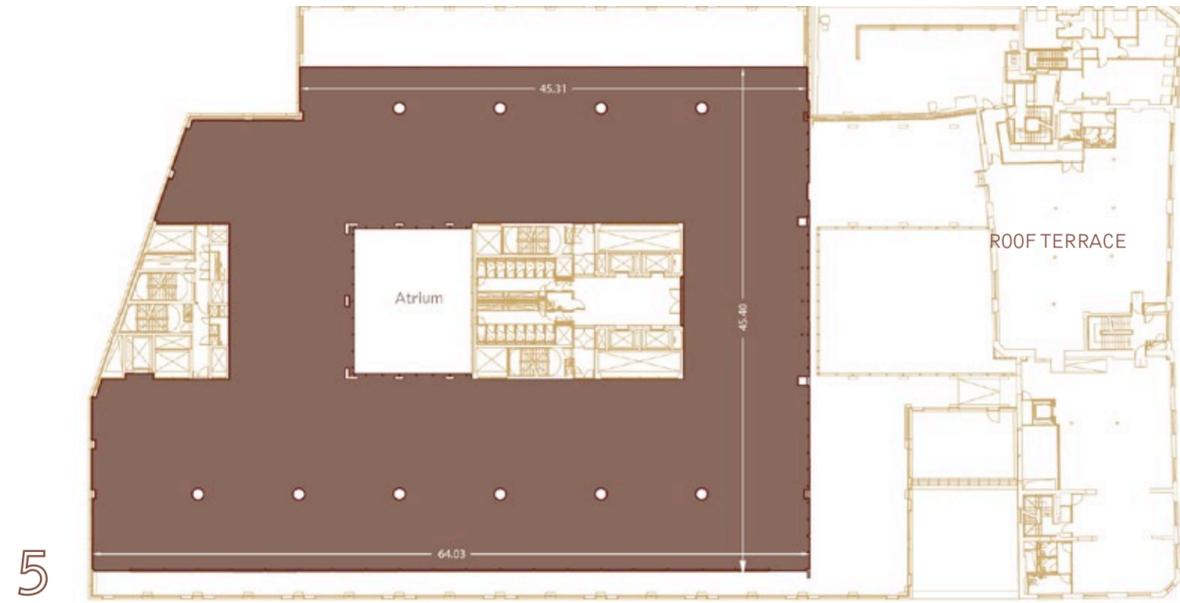
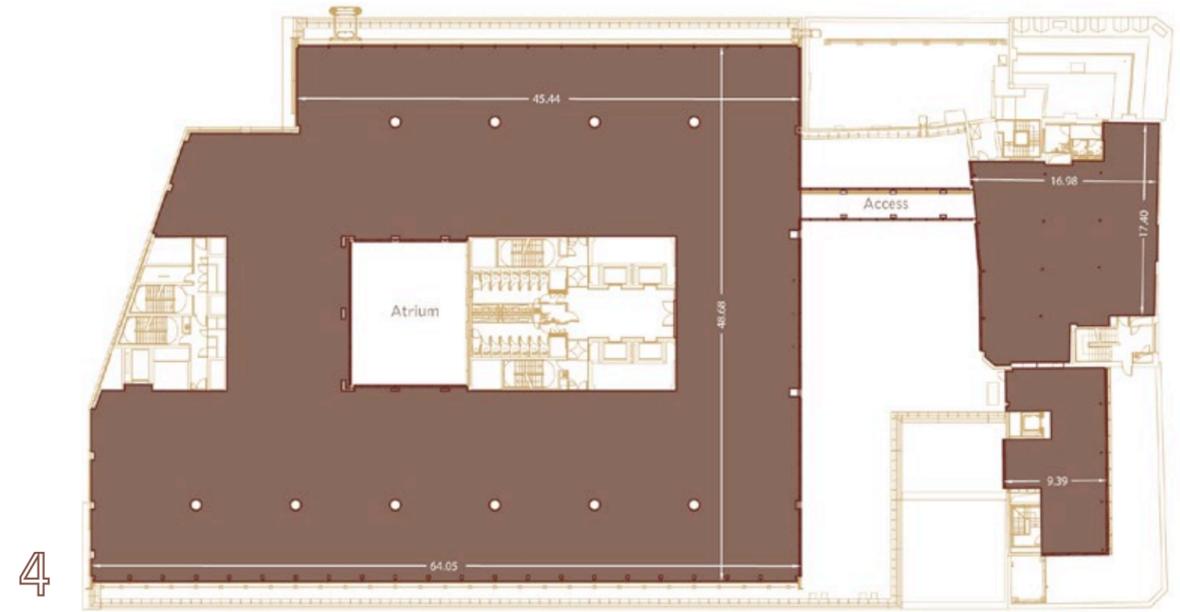
LONDON SE1

TOOLEY STREET

TOOLEY STREET



Indicative floor layouts



G

1

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5



160 TOOLEY STREET

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TENURE & TENANCY

Tenure

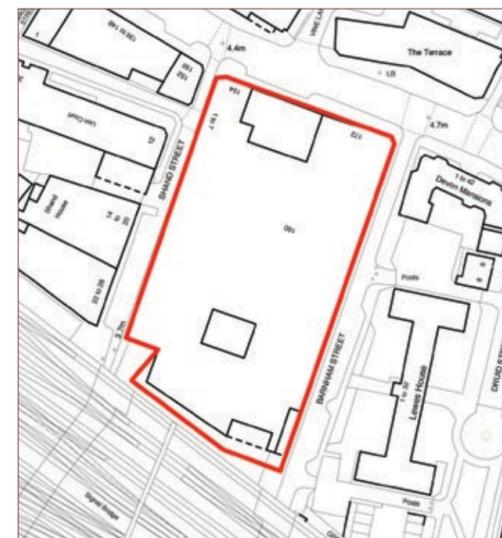
Freehold

Tenancy

The entire property is let to The Mayor and Burgesses of the London Borough of Southwark for a term of **25 years** without break from 11 June 2008 (approximately 20 years and 8 months unexpired) on full repairing and insuring terms. The current rent is £7,693,370 per annum and is subject to 5 yearly upward only rent reviews, with the next review due on **24 June 2013**.

The residential and retail elements of the property are reviewed having regard to the open market rent for the offices and then applied to the formula specified in the lease.

In the case of assignment, the proposed assignee must have a Standard & Poor's credit rating of "A" or better. The assignor may be required to enter into an Authorised Guarantee Agreement or better (or equivalent rating level from another reputable rating agency).



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Roof Terrace
Looking South West

Covenant Information

Southwark Borough Council is a U.K. Local Government Authority and as such is regarded as having an undoubted covenant status.

The Mayor and Burgesses of the London Borough of Southwark (the London Borough of Southwark) was established in 1963 under the Local Government Act. It is both a principal council and a local authority for the purposes of the Local Government Act 1972.

Southwark Borough Council is the second largest council within the London Boroughs with a population of 244,866. It enjoys a unique geographical spread positioned opposite the prosperous Boroughs of The City and Westminster. For the financial year 2011/2012 Southwark Borough Council declared Long Term Assets (comprising mainly property assets) of £2.9 billion and a net asset position of £1.8 billion.

Additional Information

Planning

We are advised that the property is not listed but the northern part of the site lies within the Tooley Street Conservation Area.

Value Added Tax

We are advised that the property is elected for VAT and it is expected that the sale will take place by way of a Transfer of a Going Concern (T.O.G.C)

Capital Allowances

Unclaimed capital allowances may be made available to the purchaser by way of separate negotiation.

Data Room

An electronic data room for 160 Tooley Street can be accessed by contacting the sales team.

Corporate sale

160 Tooley Street is held within a Guernsey Limited Company which is offered for sale.



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THE PROPOSAL

We are instructed to seek offers in excess of £150,000,000, subject to contract and exclusive of VAT, for the Guernsey Limited Company which holds the freehold interest in the property. An acquisition at this level would reflect a net initial yield of 5.04% allowing for purchaser's costs at 1.8% and a capital value of £730 per sq ft.

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For more information visit
www.160tooleystreet.co.uk



Misrepresentation Clause: Whitmarsh Holt Young for themselves and for the vendors of the property whose agents they are give notice that: Particulars are set out as a general outline only for the guidance of intending purchasers and do not constitute nor constitute part of an offer or contract; All descriptions, dimensions, references to conditions and necessary permissions for use and occupation and their details are given in good faith and are believed to be correct but any intending purchaser should not rely on them as statements or representations of fact but must satisfy themselves by inspection or otherwise as to the correctness of each of them; No person in the employment of Whitmarsh Holt Young has any authority to make or give any presentation or warranty whatever in relation to these properties or their particulars nor enter into any contract relating to the property on behalf of Whitmarsh Holt Young nor any contract on behalf of the vendor; No responsibility can be accepted to any expenses incurred by intending purchasers in inspecting property or undertaking due diligence; Whitmarsh Holt Young have not made any investigations into the existence or otherwise of any issues concerning pollution and potential land, air or water contamination. The purchaser is responsible for making his own inquiries in this regard. November 2012.
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