

PORTSOKEN NE

Prime Central London
Educational Investment Opportunity



Ring road (N)
← The City
Dalston

Ring road (S)
(A2, A3, A4) →
Docklands
City
Airport

Ring road (N)
(A11, A13, A10)
← The City
Dalston

Ring road (S)
(A2, A3, A4) →
Docklands
City
Airport



INVESTMENT SUMMARY

- Freehold.
- 238,874 sq ft of best-in-class Grade A educational space comprehensively redeveloped in 2021.
- Prominently located in the heart of Aldgate – the epicentre of London’s educational cluster.
- Mass occupier appeal with first-class local amenities and excellent connectivity - 8 stations within 15 minutes’ walk.
- £50 million institutional grade refurbishment with no immediate CAPEX required.
- Future-proofed asset with excellent ESG credentials – BREEAM rated ‘Very Good’, ‘Platinum’ WiredScore rating and an EPC of B (36).
- First-class tenant amenities - secure cycle storage, extensive shower and changing facilities and 8,786 sq ft of roof terraces.
- Valuable dual planning use including Class ‘E’ - Commercial and ‘F1’ - Learning and Non-Residential Institutions.
- Long dated, secure income with a WAULT of 12.62 years to expiry (8.53 years to breaks).
- 57% of the income derived from the undoubted covenant of BPP Holdings Limited (D&B 5 A1) a leading provider of professional and academic studies in the UK.
- 43% of the income from Northeastern University – a private research university headquartered in Boston with net assets of \$3.7bn (2023).
- All BPP leases benefit from minimum rent uplifts at their first review.
- Topped-up passing rent on sale of £11,736,758 per annum reflecting a low overall rate of £50.18 per sq ft.

Offers invited for 100% of the issued share capital in the Luxembourg SPV.


BANK


FENCHURCH
STREET


LIVERPOOL
STREET


TOWER HILL


ALDGATE


TOWER
GATEWAY

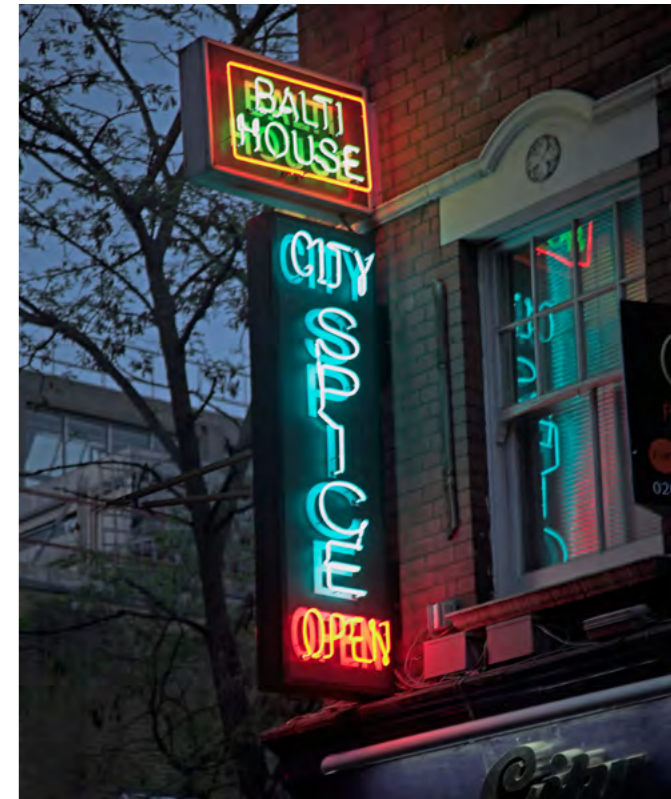

ALDGATE
EAST

ST KATHARINE
DOCKS

NORTHEASTERN
UNIVERSITY

ONE

Located in the heart of
Aldgate – the epicentre
of London's evolving
education cluster



Aldgate – one of London's most vibrant and culturally diverse sub-markets with first class local amenities

Home to prestigious
corporate and
educational
occupiers

GROUPON

AECOM

8x8 Global Cloud
Communications

UBER



UNRULY

**UNITE
STUDENTS**

 **Queen Mary**
University of London

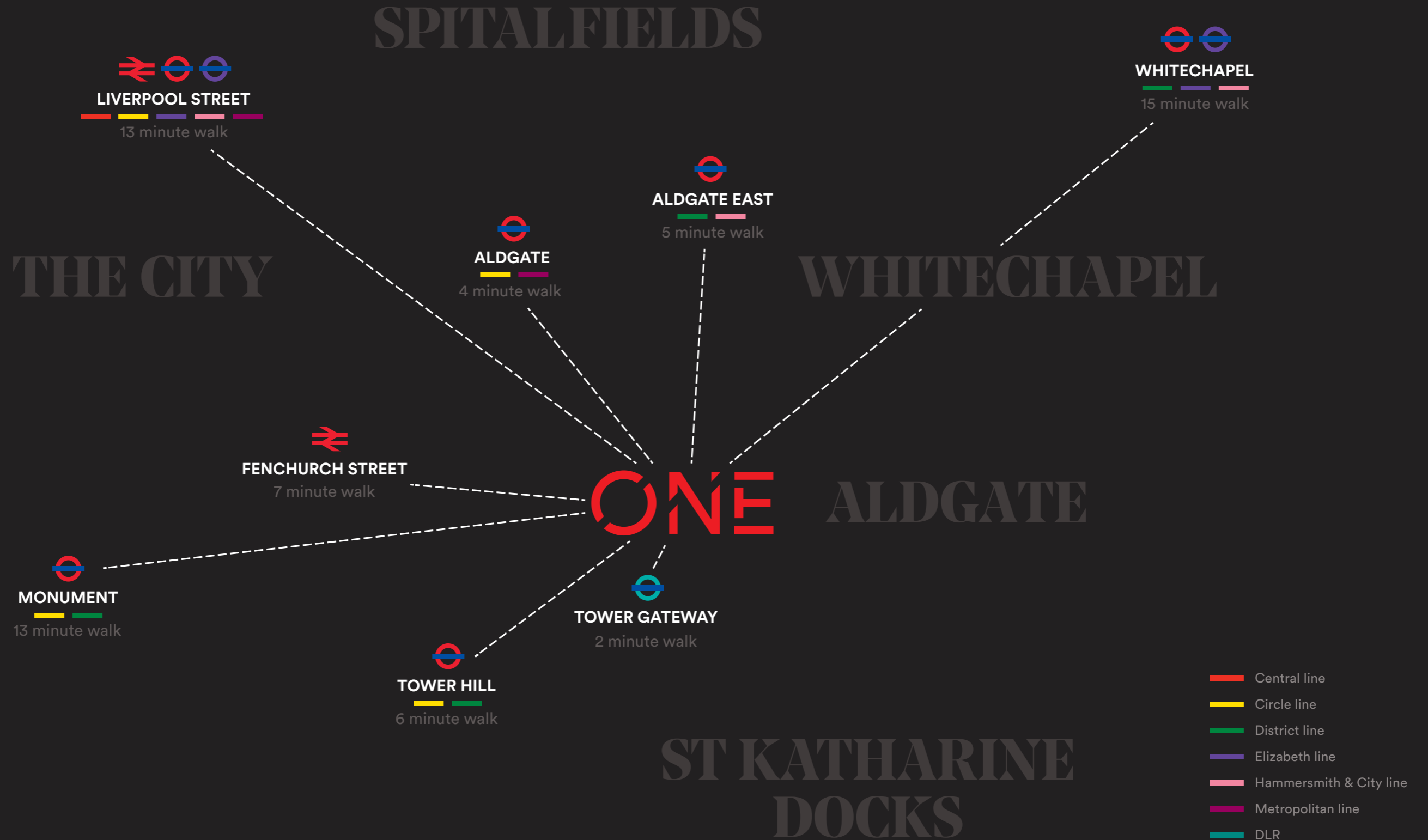

urbanest
student accommodation

 **Student
Accommodation**

 **LONDON
METROPOLITAN
UNIVERSITY**

 **HULT**

CONNECTIVITY



F1 HIGHER EDUCATION ASSET CLASS



One Portsoken is a higher education teaching facility that benefits from an 'F1' Use Class, achieved through planning applications to the City of London. These consents ratify the investment as a distinctly separate asset class to traditional offices ('E') which will drive both rental and capital values due to the following factors:

GROWTH SECTOR

With over 1.2 million sq ft of take up over the last seven years, the educational sector is one of the fastest growth occupiers in London. The Capital is now widely regarded as a leader in higher education with many global universities attracted by the financial returns secured from offering London based campuses.

CLUSTERING

One Portsoken sits within an established cluster of other F1 Higher Educational facilities and Student Accommodation, meaning it is well supported by the agglomeration of wider services and amenities for students. Critically, it offers convenient access to affordable and accessible living accommodation near to where they study, including:

Unite Hayloft Point:	913 beds
Unite Drapery Place:	617 beds
Urbanest Tower Bridge:	177 beds
Urbanest Vine Street:	619 beds
Chapter Living Aldgate:	400 beds

One Portsoken is a key educational facility thereby providing long term income security.

SPECIFICATION

The redesign and refurbishment of One Portsoken means that it is ideally suited for educational use. The dedicated and spacious ground floor entrances, large volume of floor space with 3.95 metre floor to ceiling heights and up to 30,000 sq ft on individual floors, provides the capacity to manage significant numbers of students, flexibility of use and an efficient campus environment.

The recent £50 million upgrade works, means One Portsoken has the M&E required to support an occupancy ratio of 1:8m2 NIA, ideal for high student numbers.

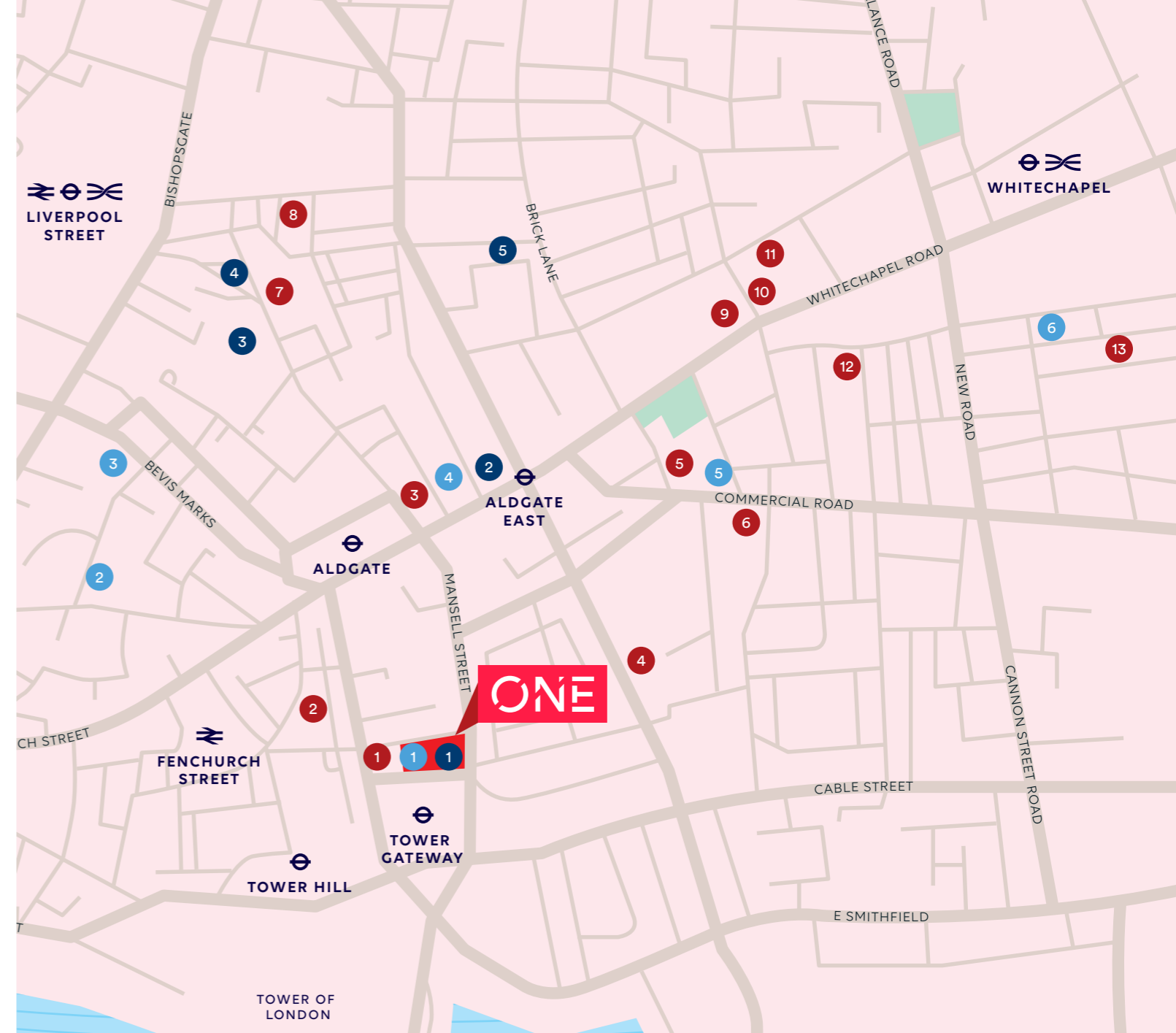
Offering best in class facilities has already helped BPP attract more students and spur further growth, resulting in their taking additional space at One Portsoken.

COVENANT

Consistent with this asset class, both of the educational occupiers are well established and diversified institutions, offering strong covenants to support long term income protection.

PLANNING

One Portsoken has managed to secure one of the largest permissions for F1 use, which is increasingly difficult to obtain. This makes it a rare and sought after opportunity, which will become increasingly valuable as the educational sector continues to grow.



Branch Campuses

- 1 Northeastern University (new site)
- 2 Coventry University - Whitechapel
- 3 Coventry University London - University House
- 4 Northumbria University - London
- 5 GCU London - Shoreditch University

London Universities

- 1 BPP Portsoken Street
- 2 BPP Business School
- 3 London School of Accountancy & Management
- 4 London Metropolitan University, Aldgate Campus
- 5 Hult International Business School London - Undergraduate Campus
- 6 Queen Mary University Whitechapel

Student Accommodation

- 1 Urbanest Tower Bridge
- 2 Urbanest Vine Street
- 3 Unite Hayloft Point
- 4 Unite Drapery Place
- 5 Chapter Living Aldgate
- 6 IQ Aldgate
- 7 Chapter Spitalfields
- 8 Sanctuary Lilian Knowles House
- 9 IQ Magenta House
- 10 Sanctuary The Craft Building
- 11 Sanctuary Don Gratton House
- 12 Yugo The Curve
- 13 QMU Floyer House



DESCRIPTION

ONE PORTSOKEN OCCUPIES A PROMINENT, FREEHOLD, ISLAND SITE AND PROVIDES 238,874 SQ FT OF HIGH QUALITY, F1 CONSENTED, HIGHER EDUCATION, RETAIL AND ANCILLARY ACCOMMODATION, ARRANGED OVER BASEMENT, GROUND AND NINE UPPER FLOORS.

The building underwent an extensive 21 month refurbishment programme, which achieved practical completion in May 2021 at a cost of approximately £50 million.

The building benefits from dual entrances with a striking double height reception fronting Portsoken Street.

Nearly every floor benefits from substantial terraces, totalling 8,786 sq ft, with views across the City of London's Tower Cluster. The floorplates are consistent at around 25,000 - 30,000 sq ft and offer excellent levels of natural light throughout.



ESG

One Portsoken has an EPC of B, a standard which only 30% of City of London buildings have achieved*.

A sympathetic refurbishment programme, which retained and re-imagined the original 1983 construction, saved a significant amount of embodied carbon when compared to a new building and has further future proofed the investment.

*Department for Levelling Up, Housing and Communities

BREEAM[®]

BREEAM
'Very Good'



WiredScore
'Platinum'

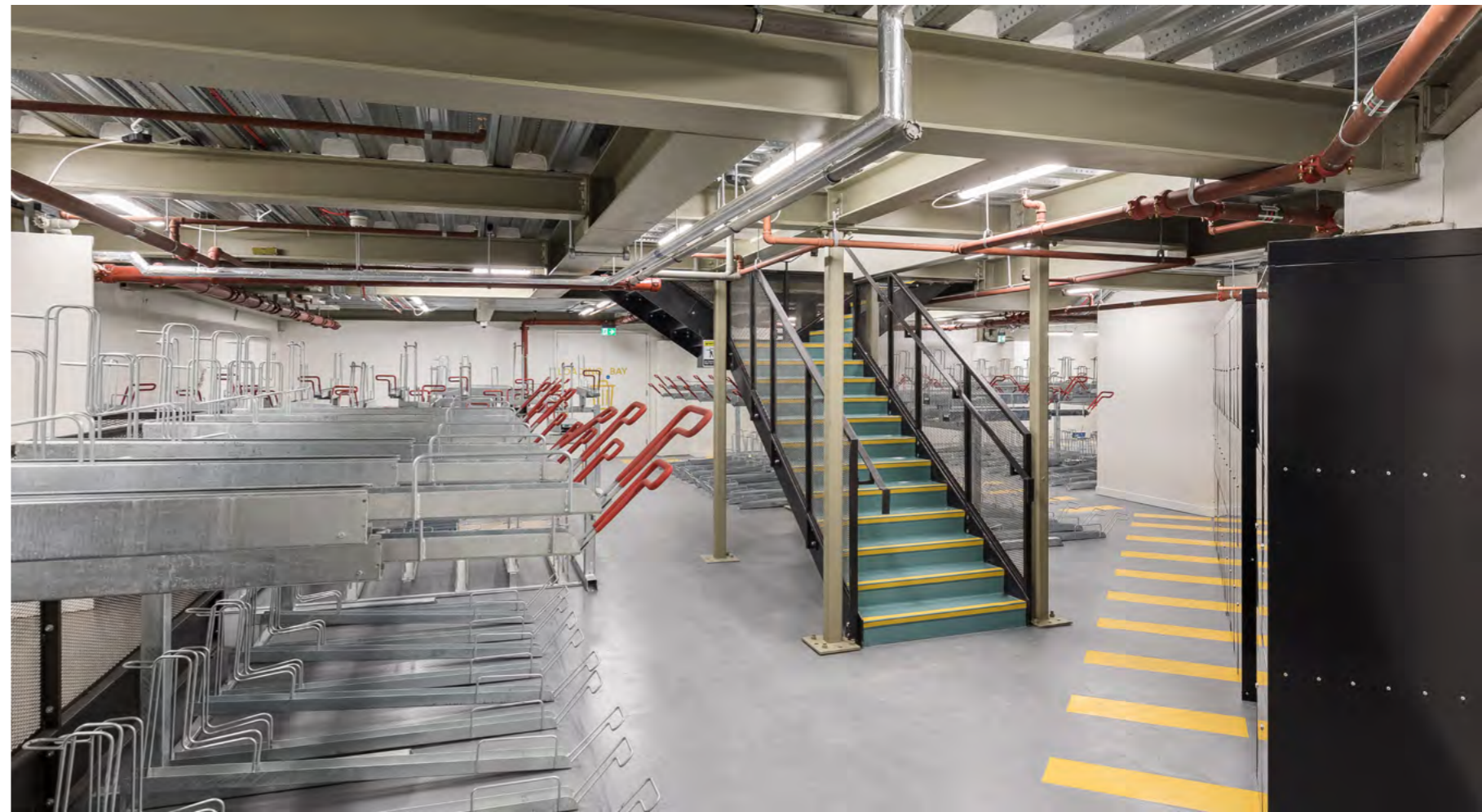


EPC
B (36)

ONE PORTSOKEN



First-class tenant amenities – secure cycle storage, extensive shower and changing facilities





57% let to the undoubted covenant of BPP Holdings Limited (D&B 5 A1) on 15-year leases with 9.98 years term certain income

ONE PORTSOKEN



43% of the income derived from
Northeastern University – a private research
university headquartered in Boston with
net assets of \$3.7bn



PORTSOKEN

ONE PORTSOKEN

8,786 sq ft of roof terraces
with striking City views





Rare and valuable dual
planning use for Class E
and F1 – Higher Education

SPECIFICATION



Cycle racks
302 internal
40 external



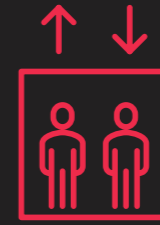
32 showers



Exposed
services



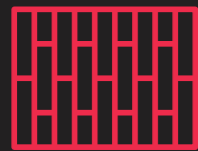
2-pipe
fan coil AC



9 new
passenger lifts
including 1 goods lift



302 secure
lockers



8,786 sq ft
of terraces



Wired Score
Platinum



3.95m floor to
soffit ceiling
heights



Occupational
density 1:8m²

BREEAM[®]

BREEAM
Very Good



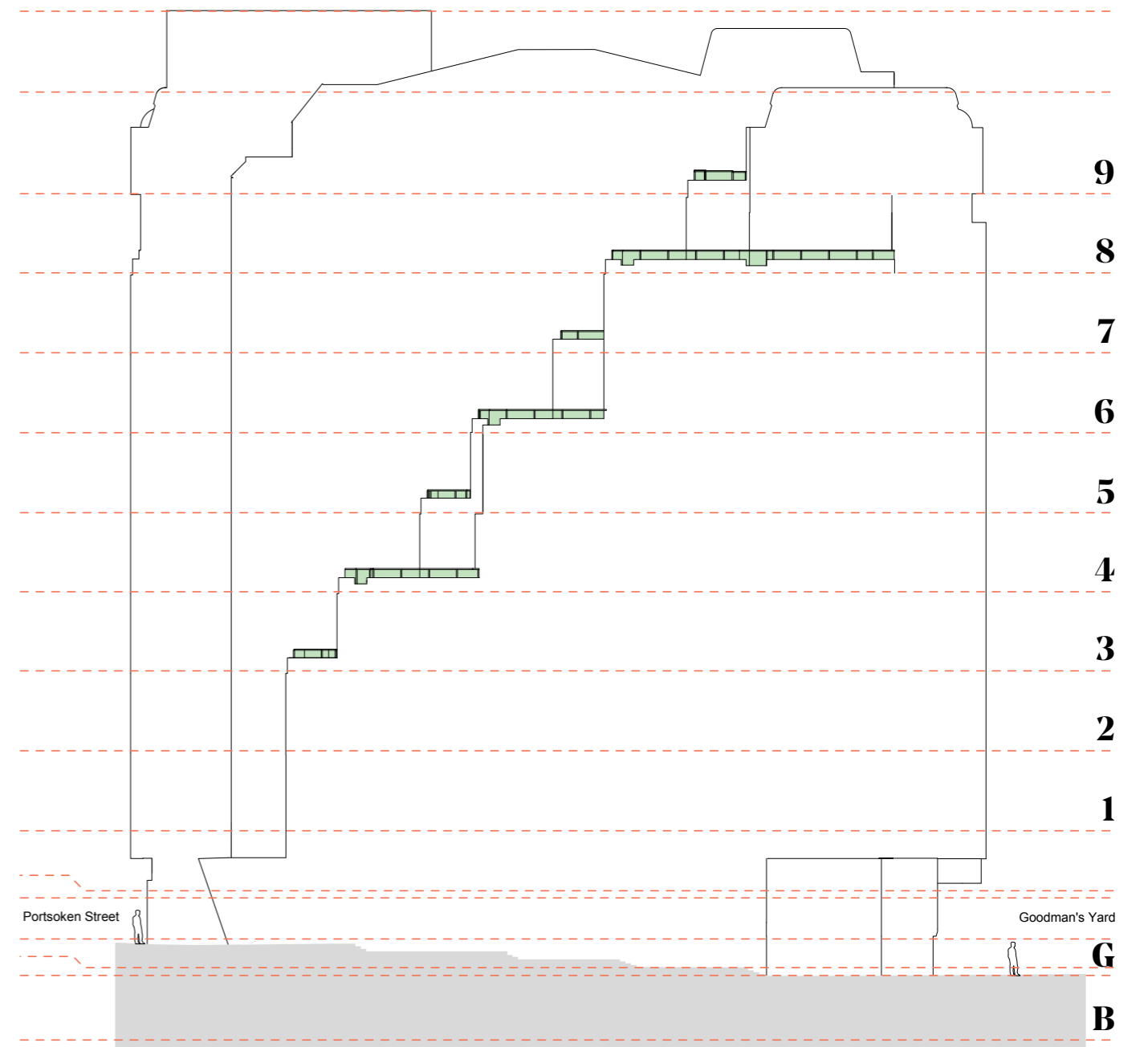
New glazing
throughout



ACCOMMODATION

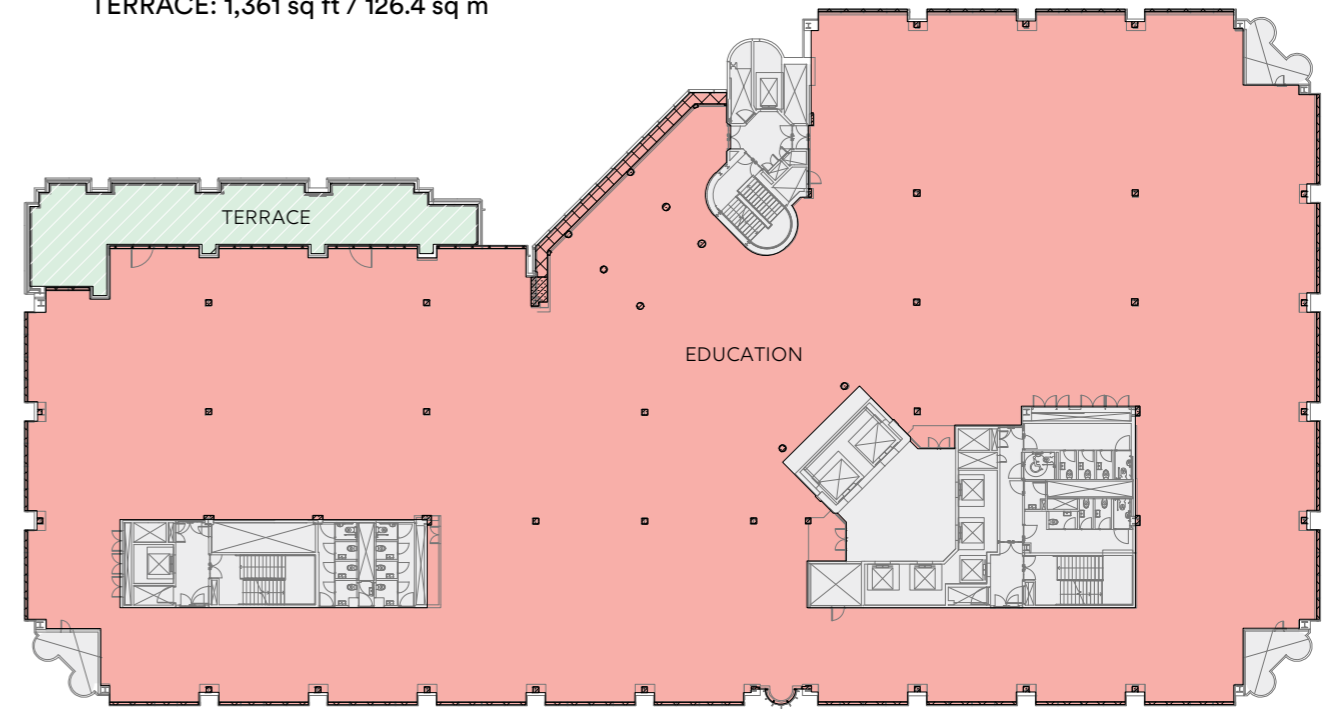
The property has been independently measured in accordance with the RICS Code of Measuring Practice (6th edition) and comprises the following floor areas:

FLOOR	USE	AREA (GIA)		AREA (NIA)		TERRACES (NIA)	
		SQ M	SQ FT	SQ M	SQ FT	SQ M	SQ FT
9th	Plant	2,060.0	22,174	-	-	-	-
8th		2,337.3	25,158	1,852.2	19,937	374.4	4,030
7th		2,812.2	30,270	2,324.2	25,017	63.2	680
6th		2,890.1	31,109	2,385.6	25,678	143.9	1,549
5th		3,057.5	32,911	2,555.4	27,506	63.0	678
4th	Education/Office	3,136.1	33,757	2,633.0	28,341	126.4	1,361
3rd		3,275.7	35,259	2,772.4	29,842	45.3	488
2nd		3,332.5	35,871	2,828.8	30,449	-	-
1st		3,020.8	32,516	2,534.8	27,284	-	-
Mezzanine		400.7	4,313	146.0	1,572	-	-
Ground	Education/Office			864.1	9,301	-	-
	Reception			461.4	4,966	-	-
	Retail	2,605.6	28,046	289.8	3,119	-	-
	Storage			41.6	448	-	-
Basement	Storage	1,130.7	12,171	503.0	5,414	-	-
TOTAL		30,059.2	323,555	22,192.3	238,874	816.2	8,786



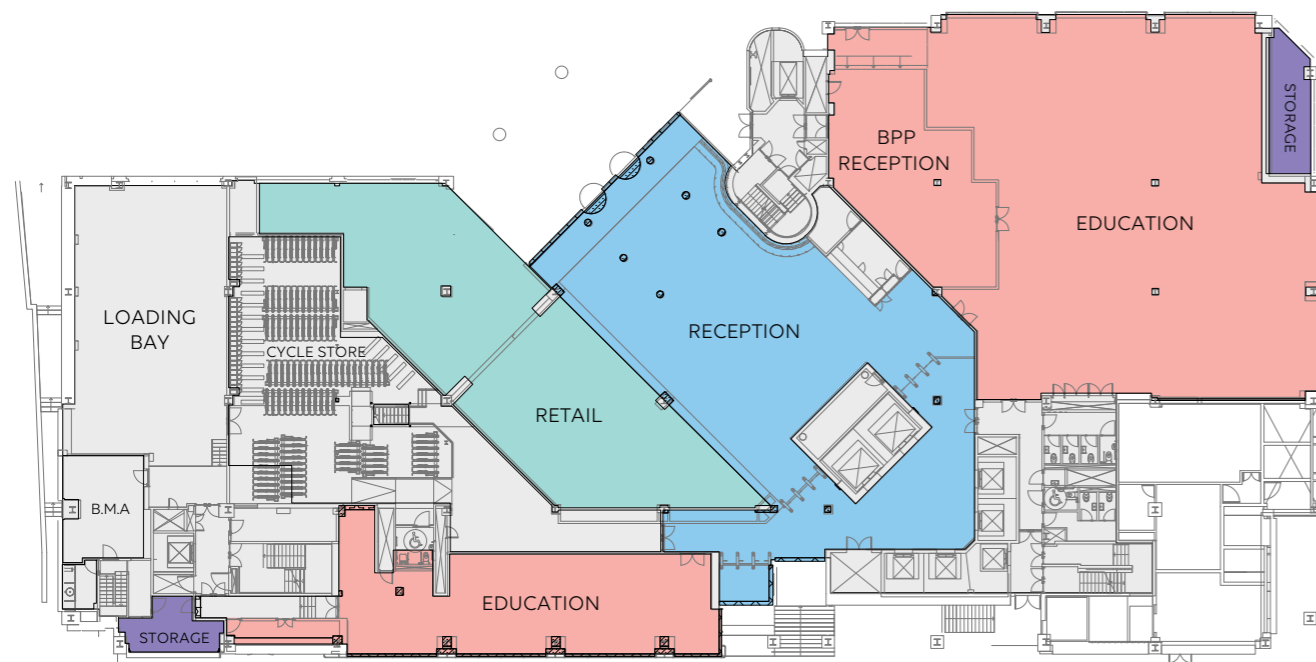
FLOOR PLANS

4 28,341 SQ FT
2,633.0 SQ M
TERRACE: 1,361 sq ft / 126.4 sq m



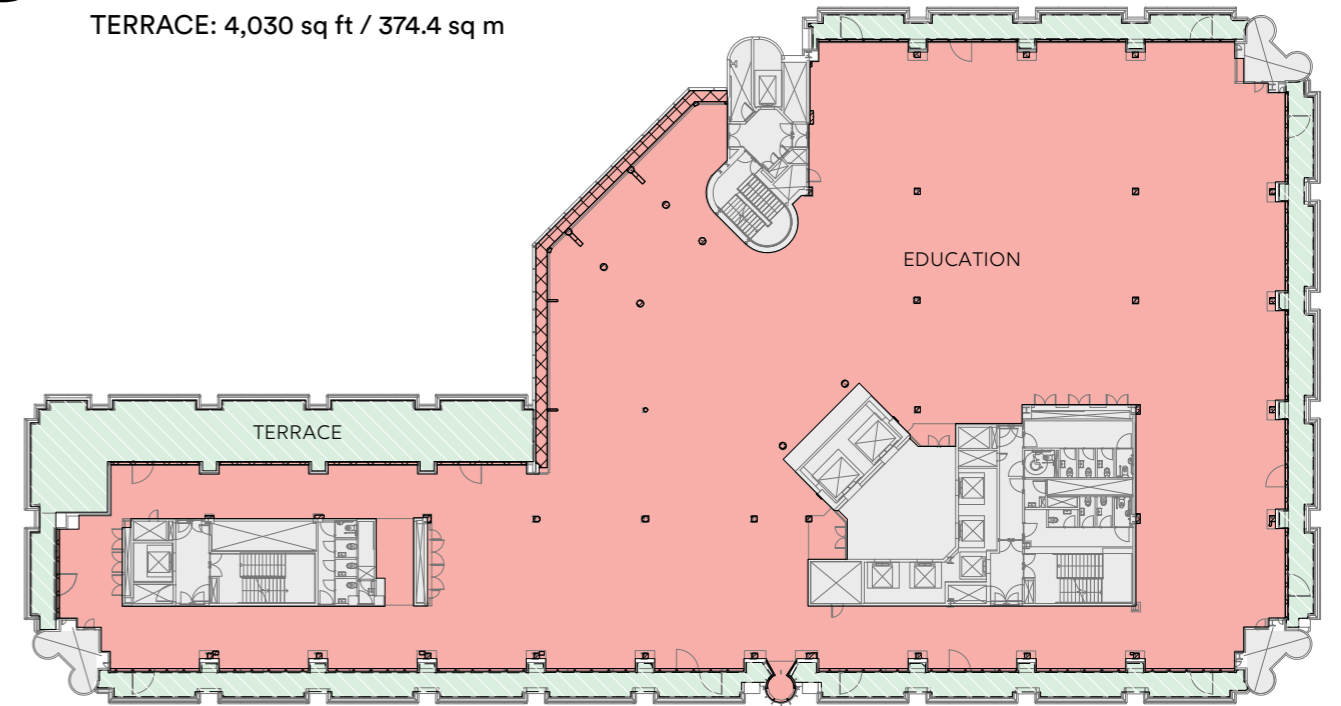
G 17,834 SQ FT
1,656.9 SQ M

PORTSOKEN STREET



GOODMAN'S YARDS

8 19,937 SQ FT
1,852.2 SQ M
TERRACE: 4,030 sq ft / 374.4 sq m



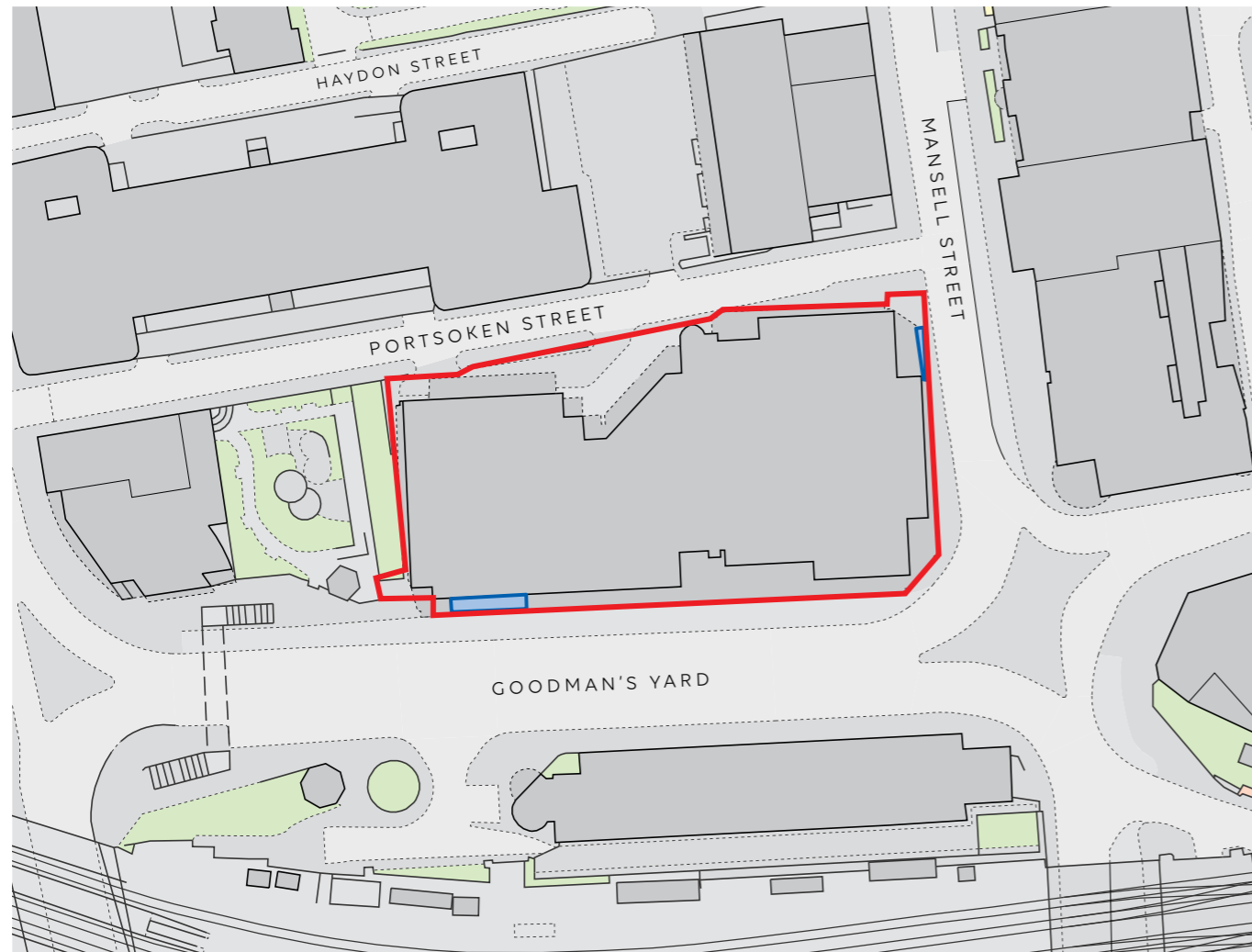
TENURE


The property is held Freehold under Title Number NGL355248 with a site area extending to 0.88 acres (0.36 hectares).

The approximate extent of the freehold title is shown outlined on the plan.

Two small parts of the property overhang the public highway and are held long leasehold from The City of London for a term of 125 years from 17 September 1981 at a peppercorn rent. These are highlighted blue on the map below.

The London Electricity Board hold a lease for 60 years from 25th December 1982 at five pence per annum (if demanded).



 Not to scale. For identification purposes only. This plan is based upon the Ordnance Survey Map with the sanction of the controller of H.M. Stationery Office. Crown Copyright reserved.



TENANCY

ONE PORTSOKEN STREET IS LET TO TWO INTERNATIONALLY RECOGNISED, HIGH QUALITY EDUCATIONAL OCCUPIERS, BPP AND NORTHEASTERN UNIVERSITY, PROVIDING AN UNEXPIRED TERM OF 8.53 YEARS TO BREAKS AND 12.62 TO EXPIRY.

FLOOR	TENANT	USE	NET AREA (SQ FT)	LEASE START DATE	LEASE EXPIRY	BREAK DATE	RENT REVIEW DATE	BASE ANNUAL RENT	RENT (PSF)	COMMENTS	
9	Vacant	Office		-	-	-	-	-	-	- Potential floor to incorporate Northeastern Expansion in the future	
8	Northeastern University London	Education	19,937	01/02/2024	11/10/2035	11/10/2030	01/02/2029 01/02/2034	£1,076,598	£54.00	- Guaranteed by Northeastern University - All Northeastern University leases are subject to a Rent Commencement Date of 24/01/2026 and vendor to provide rental top up - Subject to a Tenant only break option on not less than six months' written notice. - Service Charge capped in Year 1 and then CPI linked	
7		Education	25,017					£1,300,884	£52.00		
6		Education	25,678					£1,283,900	£50.00		
5		Education	27,506					£1,320,288	£48.00		
4	BPP Holdings Limited	Education	28,341	11/03/2024	12/07/2037	11/03/2034	11/03/2029 11/03/2034	£1,544,585	£54.50	- Subject to minimum uplift to £55.25 per sq ft at review in February 2029 - Rent Commencement Date 11/03/2027 and vendor to provide rental top up - Tenant only break option on not less than nine months' written notice. - Service Charge capped in Year 1 and then RPI linked thereafter	
3 Floor West	BPP Holdings Limited	Education	16,918	15/02/2023				13/07/2027 13/07/2032	£892,425	£52.75	- Subject to minimum uplift to £53.50 per sq ft at review in July 2027 - Rent Commencement Date 01/05/2026 and vendor to provide rental top up - Tenant only break option as above. - Service Charge capped in Year 1 and then RPI linked thereafter
3 Floor East	BPP Holdings Limited	Education	12,924	13/07/2022				13/07/2027 13/07/2032	£681,741	£52.75	- Subject to minimum uplift to £53.50 per sq ft at review in July 2027 - Rent Commencement Date 15/05/2025 and vendor to provide rental top up - Tenant only break option as above - Service Charge capped in Year 1 and then RPI linked thereafter
2	BPP Holdings Limited	Education	30,449	22/07/2022				21/07/2037	22/07/2027 22/07/2032	£1,606,185	£52.75
1	BPP Holdings Limited	Education	27,284	26/10/2022	25/10/2037	11/03/2034	26/10/2027 26/10/2032	£1,439,231	£52.75	- Subject to minimum uplift to £53.50 per sq ft at review in October 2027 - Rent Commencement Date 05/08/2025 and vendor to provide rental top up - Tenant only break option as above - Service Charge capped in Year 1 and then RPI linked thereafter	
Mezzanine		Education	1,370					£13,700	£10.00	- Rent Commencement Date 05/08/2025 and vendor to provide rental top up	
GF South		Education	2,004					£95,691	£47.75	- Subject to minimum uplift to £48.50 per sq ft at review in October 2027 - Rent Commencement Date 05/08/2025 and vendor to provide rental top up - Tenant only break option as above - Service Charge capped in Year 1 and then RPI linked thereafter	
GF North East		Education	7,297					£348,432	£47.75	- Subject to minimum uplift to £48.50 per sq ft at review in October 2027 - Rent Commencement Date 05/08/2025 and vendor to provide rental top up - Tenant only break option as above - Service Charge capped in Year 1 and then RPI linked thereafter	
Mezzanine	-	Comms Room	202	-	-	-	-	-	-	-	
GF	-	Main Reception	4,966	-	-	-	-	-	-	-	
GF	Vacant	Retail	3,119	-	-	-	-	£62,380	£20.00	- Vendor to provide 12 month rental top up	
GF		Storage	448	-	-	-	-	£5,600	£12.50	- Vendor to provide 12 month rental top up	
Bst		Storage	4,730	-	-	-	-	£59,125	£12.50	- Vendor to provide 12 month rental top up	
Bst	U/O to Northeastern University London	Storage	684	TBC	TBC	TBC	TBC	£5,993	£8.76	- TBC	
TOTAL			238,874					£11,736,758	£50.18*		

* Overall rate excludes above and main reception. All leases are inside the provisions of the 1954 Act

TENANT COVENANTS



BPP HOLDINGS LIMITED
(57% of income)
DUN & BRADSTREET RATING 5A1

Founded in 1992, BPP University is made up of four schools, focussing on Law, Business, Nursing and Technology. In 2007 it became the first publicly owned company in the UK to obtain degree awarding powers.

The University has around 21,000 students, studying across 13 centres in 8 locations across England as well as online throughout the world.

BPP HOLDINGS LIMITED	2022	2021
Turnover	£119,975,000	£108,129,000
Total Enrolments	20,312	17,257
Operating Profit	£26,912,000	£26,095,000
Operating Profit Margin	23%	24%



NORTHEASTERN UNIVERSITY LONDON
GUARANTEED BY NORTHEASTERN UNIVERSITY
(43% of income)

Northeastern was founded in 1898 and has grown into a global university system, with 13 campuses across the US, UK and Canada. Headquartered in Boston, they have over 39,000 students on this campus alone and is one of the largest universities in Massachusetts.

The London University was founded in 2012 and has since grown in size and reputation. In particular the aim of One Portsoken is to expand its research capabilities into the sciences.

NORTHEASTERN UNIVERSITY	2023	2022
Total Operating Revenues	\$2,082,149,000	\$1,812,635,000
Net Assets at end of Year	\$3,741,254,000	\$2,740,560,000
Cash	\$402,335,000	\$311,487,000

NORTHEASTERN UNIVERSITY LONDON	2023	2022
Turnover	£44,199,000	£23,638,000
Total Enrolments	1,700	-
Operating Profit	£8,654,000	£2,110,000
Operating Profit Margin	20%	8.9%

ONE PORTSOKEN

INVESTMENT RATIONALE

- Best-in-class Central London educational investment opportunity, with valuable F1 planning use.
- Located in the epicentre of London's educational cluster.
- £50 million institutional grade refurbishment with first-class tenant amenities and excellent ESG credentials.
- Long dated, secure income with a WAULT of 12.62 years to expiry (8.53 years to breaks).
- Undoubted covenants of BPP Holdings Limited (D&B 5 A1) and Northeastern University.
- Freehold.
- Consistent floorplates of c.25,000 - 30,000 sq ft, offering exceptional levels of natural light throughout.
- The leases to BPP benefit from minimum rental uplifts at first review.
- Low passing rent of only £50.18 per sq ft, with strong reversionary potential.

FURTHER INFORMATION

PLANNING

Located in the City of London.

One Portsoken Street is not Listed and does not lie in a Conservation Area.

Dual use for Class E and F1.

VAT

The property is elected for VAT.

SERVICE CHARGE

For the year 2024, the current Service Charge Budget for the building is £3,195,350 (£14.00 per sq ft).

EPC

B (36) valid until 22nd June 2031. Certificate and Recommendation Report available on request.

CAPITAL ALLOWANCES

Further information available on request.

DATA ROOM

Access to an online data room containing further information is available on request.

PROPOSAL

Offers invited for 100% of the issued share capital in the Luxembourg SPV.

CONTACT

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