



THE
PORTMAN
ESTATE

EGi News Portman Estate to Redevelop Garfield House

The Portman Estate has revealed its intention to redevelop Garfield House, W1, following its purchase of the leasehold interest from LaSalle Investment Management for £16.5m, a yield of 5.58%.

The Estate said it would replace the 45,000 sq ft retail and office building, of which it is already freehold owner, with "something of quality" within 10 to 20 years.

Portman Chief Executive Hugh Seaborn said: "We bought this as a strategic buy. There is marriage value we have been able to release through the purchase and we plan to hold the building as a standing investment until we redevelop it in due course.

This is a long game. We own the freehold but we didn't have control over it, so this was a means to take control of the future redevelopment of a significant block."

The leasehold interest of Garfield House was held from the Estate for a term of 99 years, due to expire in 2050.

The Edgware Road property comprises 22,903 sq ft over four ground floor retail units and 22,995 sq ft of office accommodation.

It produces net rental income of £974,300 pa, 48% secured on the covenant of tenants Allied Carpets Properties, clothes retailer Next Group and telephone giant 02 (UK).

Jones Lang LaSalle advised LaSalle Investment Management, Knight Frank advised the buyer.