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## LEGAL & GENERAL PROPERTY ACQUIRES COVENT GARDEN PORTFOLIO

*Portfolio of 11 well-known properties acquired for £119.5 million*

Legal & General Property (“LGP”) has acquired a portfolio of 11 freehold properties located in Covent Garden from ING Covent Garden Limited Partnership. The transaction was completed at a total consideration of £119.5 million, reflecting a net initial yield of 6.75% and an overall capital value of £563 per sq ft.

The portfolio provides LGP with a total floor area of circa 210,000 sq ft, of which approximately 70% is office space and the remaining 30% is arranged as retail and restaurant premises. The properties are let to a diverse mix of 72 tenants, with average rents on the office accommodation equating to £35-£40 per sq ft and the restaurant and retail rents ranging between £125 and £220 per sq ft.

There are two distinct parts to the portfolio. The first is an investment package of eight multi-let office, retail and restaurant properties located on The Strand, Southampton Street and Bedford Street. The second is the Strand Island – a site comprising three adjoining buildings totalling 102,300 sq ft and let to 14 tenants.

Representing a unique investment solution for capturing value from larger volume trades, the portfolio has been purchased on behalf of and will be split between five of LGP’s funds, including the Linked Life fund, Linked Pensions, Managed Fund, the Property Unit Trust and a segregated mandate.

### **Gordon Aitchison, Head of Transactions at LGP, comments:**

“This was a rare opportunity to acquire a prime portfolio of Central London assets on behalf of several of the funds. The properties offer a good mix of diverse income and active management opportunities where we can add



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# NEWS

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value through refurbishment, lease engineering and change of planning uses.

“We faced stiff opposition to acquire the portfolio but were chosen for our ability to perform quickly. The fact that we managed to complete this complex purchase within seven days is a testament to the ability of the LGP platform.”

LGP was represented by Cortex Partners and ING REIM was advised by Hanover Green and CBRE. Rugby Asset Management is Property Adviser to ING REIM.

**-Ends-**

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**Notes to editors:**

Legal & General Property (LGP) is a wholly-owned subsidiary of Legal & General Investment Management (LGIM).

LGIM had funds under management of over £311bn as at the end of September 2009. Legal & General Property manages or co-manages 17 separate Funds with an aggregate asset value of over £7.3bn as at end September 2009, including ten limited partnerships:

- Industrial (Industrial Property Investment Fund)
- Regeneration (English Cities Fund)
- Shopping Centres (Performance Shopping Centre Partnership  
Warrington Retail Limited Partnership)
- Leisure (The Leisure Fund Limited Partnership)
- Mixed Use/Retail (Bracknell Regeneration Partnership)
- Business Parks (Arlington Business Parks Partnership)
- Distribution Warehouses (UK Logistics Fund)
- Regional Offices (ARC Property Fund)
- West End Offices (Central Saint Giles Partnership)

LGP is also responsible for managing seven pooled property funds, including the property portfolio of the Legal & General Assurance Society, which includes major development opportunities in London (Walbrook Square and Central Saint Giles), retail development opportunities in Bracknell, Northampton and Warrington, together with business park opportunities in the M4 corridor and Manchester.

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