

Press Release

Columbus Capital restructures Gracechurch Street head lease with the Fishmongers' Company

3 February 2012

Columbus Capital Management LLP (Columbus) has completed a £26 million restructuring of the head lease of Lombard House at 33 Gracechurch Street, London EC3 with the Fishmongers' Company.

Lombard House was redeveloped by Stockland in 2008 and the part freehold part leasehold interest in the property was subsequently sold to a joint venture between Columbus UK Real Estate Fund and the British Airways Pension Fund at the end last year for £15.6 million. The 105,500 sq ft building is 65% let to tenants including Clydesdale Bank, Aegis, Barbican Insurance and TK Maxx. Rents in the building currently range from £22 per sq ft to £49 per sq ft and average £32 per sq ft overall.

The existing head lease from the Fishmongers' was for a further 85 years at a ground rent of approximately 40% of rental value. Columbus has now completed a substantial restructuring with The Fishmongers' Company which sees the freehold interests in the site merged into Fishmongers' ownership. Columbus surrendered its existing headlease and Fishmongers' simultaneously granted Columbus a new 150 year headlease over the whole site at a reduced ground rent of approximately 5% of rental value. Columbus paid Fishmongers' approximately £26 million for the new lease.

Santander has provided a new five year senior debt facility of £25 million which has been used to finance the premium paid to the Fishmongers' Company.

Joe Froud, Managing Partner of Columbus Capital Management, commented:

"Despite its prime location, the building's unfortunate tenure has always discouraged the capital investment required to deliver its full potential. Fishmongers' were open to a commercial discussion to improve the asset and having completed the head lease restructure we are now progressing a comprehensive redesign of the building's reception area and vacant floors which will form the final stage of its repositioning"

Nigel Cox, the Clerk to The Fishmongers' Company said:

"This restructuring provides for much-improved potential for growth and releases capital for us to reinvest in other growth assets according to our ongoing strategy."

Cluttons advised The Fishmongers' Company and Capital Real Estate Partners advised Columbus Capital Management.

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Notes to Editors

For trade press only

Schroders

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Columbus Capital Management LLP

Columbus Capital Management LLP (Columbus) is part of Schroders' real estate investment and asset management business. It is dedicated to executing value added real estate investment strategies with a focus on the UK market. Columbus is the Investment Adviser to the Columbus UK Real Estate Fund, LP (the Fund) which is the successor to the Gresham Funds. The sponsor of the Fund is Schroder Property Investment Management Limited.

For further information about Columbus Capital Management LLP visit www.columbuscapital.co.uk

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