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Ferocious West End bidding prompts launch of £180m+ St James's Square sale

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Prime West End block hits the market amidst mounting pricing evidence



What Columbia Threadneedle has put 21 St James's Square up for sale for £182.5m, 3.75%

Why Mounting pricing evidence for well-let West End assets

What next JLL and Allsop instructed to identify a buyer

Columbia Threadneedle has put its trophy office development in St James's Square up for sale for £182.5m following frenzied bidding in recent weeks for prime West End assets, *React News* can reveal.

The asset manager has instructed Allsop and JLL to sell 21 St James's Square, the new headquarters of private equity firm Cinven, which is close to completing its high-end fitout of the space.

The agents are guiding an initial yield of 3.75% for the Grade I listed asset, formerly known as Distillers House, which sits on a 0.44-acre site overlooking the iconic garden square.

The decision to sell 21 St James's Square is largely a response to mounting pricing evidence in the West End, where the best assets have continued to attract multiple bids. Last week, British Land went under offer on the sale of Clarges Mayfair for £180m, 3.5% to German fund manager Deka, following 10 first-round bids.

Closer to home, the sale of BP's 1 St James's Square is entering its final stage with terms having been agreed to sell the building. Four investors were taken into the second round of bidding on 20 October, where bids started at around the £240m guide price. It is understood the process attracted up to eight bids in the first round.



21 St. James Square

Columbia Threadneedle made an attempt to sell the building last summer but despite going under offer to sell it to a high net worth investor from Hong Kong for around the guide price, opted to hold it until Cinven's new office space had been refurbished.

Terms were agreed last July after the owner received around 40 viewings ahead of two rounds of bids.

21 St. James's Square is a newly redeveloped and refurbished freehold office block. The building is fully let to Cinven and GHO Capital producing a total income of £7.3m pa, reflecting an average office rent of £118 per sq ft. Around 85% of the income is secured against Cinven Partners until September 2034.

The overall building WAULT is 13 years to expiries and 10 years to the lease breaks.

The development comprises two interconnected buildings which were designed in the 1930s by Mewes & Davies, the architect behind the Ritz hotel on Piccadilly. Columbia Threadneedle completed a redevelopment of the 60,000 sq ft building in 2018, retaining its grade I listed façade.

St James's Square, one of London's most prestigious addresses, was developed in the 17th century by Henry Jermyn, the first Earl of St Albans, who was given the freehold of the land by King Charles II.