MONTHLY REVIEW
CENTRAL LONDON OFFICES - MARCH 2016
INVESTMENT ACTIVITY REMAINS ROBUST

• Take-up in February reached 730,000 sq ft, significantly up on January’s performance. This brings 2016 levels to 1.34m sq ft for the first two months of the year, 5% below the same period last year and in-line with the long term average.

• The largest transaction of February was Capita’s pre-let of 87,150 sq ft at the Copyright Building, Berners Street, W1. So far this year we have seen five pre-let deals, up on the four in the first two months of last year.

• As chronic lack of supply continues, occupiers are forced to look to future supply pipeline to fulfil property requirements. Indeed, the vacancy rate contracted further in February reaching 4.07%.

• 2016 investment to end February reached £1.87bn, roughly the same level of investment turnover recorded over the same period last year.

• Investor confidence in London, remains robust despite some commentators suggesting investors adopting a ‘wait and see’ approach due to uncertainty surrounding the upcoming EU referendum.

• The largest deal of the year saw Australian Super purchase a 36.5% share in King’s Cross Central for £371m which adds to the 25% share acquired last year.

• Our prime yields remain at 3.25% and 4.00% for the West End and City, respectively. MSCI’s initial yield continues to hover around historic lows with no sign of softening in the short term.

FEBRUARY KEY DEALS

<table>
<thead>
<tr>
<th>PROPERTY</th>
<th>SQ FT</th>
<th>TENANT</th>
<th>RENT £PSF</th>
</tr>
</thead>
<tbody>
<tr>
<td>THE COPYRIGHT BUILDING, W1</td>
<td>87,150</td>
<td>CAPITA</td>
<td>£86.00</td>
</tr>
<tr>
<td>120 HOLBORN, EC1</td>
<td>37,259</td>
<td>TRAINLINE</td>
<td>£60.00</td>
</tr>
<tr>
<td>1 NEW BURLINGTON PLACE, W1</td>
<td>9,602</td>
<td>XL PARTNERS</td>
<td>£132.50</td>
</tr>
<tr>
<td>11 CHARLES II STREET, SW1</td>
<td>1,342</td>
<td>CDR CAPITAL</td>
<td>£102.50</td>
</tr>
<tr>
<td>6 BEVIS MARKS, EC3</td>
<td>7,059</td>
<td>ASSURED GUARANTY</td>
<td>£75.00</td>
</tr>
</tbody>
</table>

WEST END & CITY PRIME YIELDS

Source: BNP Paribas Real Estate

Head of City Leasing
Dan Bayley - 020 7338 4444
daniel.bayley@bnpparibas.com

Head of City investment
Richard Garside - 020 7338 4034
richard.garside@bnpparibas.com

Head of West End Leasing
David Herzog - 020 7338 4292
david.herzog@bnpparibas.com

Head of West End investment
Steven Skinner - 020 7338 4229
steven.skinner@bnpparibas.com

Research
Kuldeep Gadhary - 020 7338 4844
kuldeep.gadhary@bnpparibas.com