London recovery sees Great Portland Estates return to profit

By Nigel Taylor - November 19, 2021

It's not yet back to pre-Covid levels of performance, but major central London landlord Great Portland Estates (GPE) is once again reaping the benefits of a “clear recovery” in the capital with office workers and shoppers returning to the main commercial districts, it said Friday.

The result is a half-year of “strong” leasing at levels well ahead of rental values, “exceptional” development returns and “profitable” asset sales, its chief executive Toby Courtauld said.

As with its bigger peers Landsec and British Land, GPE also returned to net profit this week, showing a gain of £62.2 million for the six months ended 30 September, compared with a £154.8 million loss a year earlier.

In addition, the company said its overall portfolio valuation increased 2% in the period to £2.5 billion, and the company upgraded its full-year portfolio rental value guidance to 2-5%.

However, most of those gains did come from its office property value (+2.8%), while its overall retail valuation dipped 0.8% and rental retail values slipped 1%.

The company owns a swathe of properties in London, including on Bond Street. Its latest development, Hanover, also houses the new Jimmy Choo fashion academy.

Courtauld added: “Encouragingly, we are successfully capturing market momentum in our own spaces, leasing more in the first half than in the previous two years put together and beating rental values by 9.8% overall.

“So while market volatility is possible in the near term, we expect these positive leasing trends to continue as a result, and assuming no further Covid restrictions.”

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