

CITY & TECH BELT PROPERTY TOUR

4th OCTOBER 2017



WEDNESDAY 4TH OCTOBER 2017

CITY & TECH BELT PROPERTY TOUR

14:00 **The Loom**, 14 Gowers Walk, E1

14:45 **One Creechurch Place**, EC3

15:15 **C-Space**, 37-45 City Road, EC1

15:30 **The Warehouse & The Studio, The Bower**, 207-211 Old Street, EC1

15:30 **The Tower, The Bower**, 207-211 Old Street, EC1

16:15 **25 Charterhouse Square**, EC1

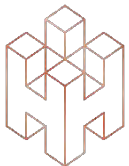
16:30 **Farringdon East - OSD**, EC1

Residential Phases 1 & 2, Barts Square, EC1

16:45 **One Bartholomew Close, Barts Square**, EC1

90 Bartholomew Close, Barts Square, EC1

17:30 Drinks at Butchers Hook and Cleaver, 60-63 West Smithfield, EC1A 9DY



THE TEAM TODAY



Gerald Kaye
Chief Executive



Tim Murphy
Finance Director



Matthew Bonning-Snook
Property Director



Tom Anderson
Senior Investment
Executive



John Inwood
Head of Asset
Management



Oliver Rippier
Development Executive



Nikki Dibley
Development Executive



James Moss
Financial Controller &
Company Secretary



Francesca Palmano
Property Executive

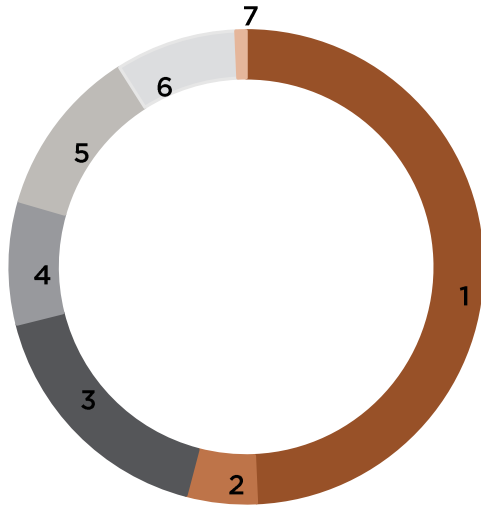
CITY & TECH BELT LONDON PORTFOLIO

The image displays a map of the City and Tech Belt in London, featuring six callout boxes with architectural renderings of buildings at various locations:

- 25 CHARTERHOUSE SQUARE, EC1**: A modern building with a dark facade and large windows.
- FARRINGDON EAST, OSD, EC1**: A building with a prominent green dome and classical architectural elements.
- BARTS SQUARE, EC1**: A modern building with a glass facade.
- ONE CREECHURCH PLACE, EC3**: A tall, modern glass skyscraper.
- THE BOWER, EC1**: A modern building with a glass facade and a prominent entrance.
- C-SPACE, EC1**: A modern building with a glass facade and a prominent entrance.

PORTFOLIO ALLOCATION

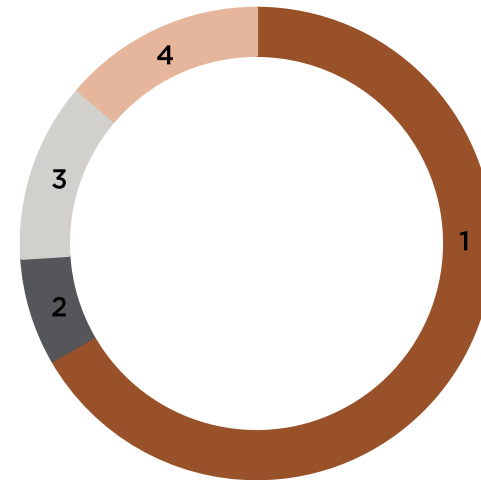
Assets visited today:
53% of Total Value



TOTAL VALUE AT 31 MARCH 2016

£1.24bn

1 London Office	49.3%	£611.2m
2 London Residential	4.8%	£60.0m
3 Regional Logistics	17.0%	£210.5m
4 Regional Offices	8.4%	£103.5m
5 Regional Retail	11.5%	£142.6m
6 Retirement Villages	8.3%	£103.5m
7 Other	0.7%	£8.7m



TOTAL VALUE AT 30 SEPTEMBER 2017 (31 March 2017 valuations):

£1.20bn

1 London Office/Mixed Use	66.7%	£798.8m
2 Manchester Office	7.3%	£87.1m
3 Logistics	12.3%	£147.3m
4 Non Core	13.7%	£164.5m

THE HELICAL PROCESS

- High quality buildings with attractive public realm
- Occupier amenities
- Flexibility
- Active value creation by:
 - Redevelopment and major refurbishment
 - Repositioning and rolling upgrade
 - Significant asset management



OCCUPIER AMENITIES



CAFES, RESTAURANTS AND BARS



Look Mum No Hands Café at The Loom



Franze & Evans at The Bower



Café and communal seating area at The Shepherds Building



Café and communal seating area at Churchgate & Lee House

SHOWER AND CYCLE FACILITIES



The Bower



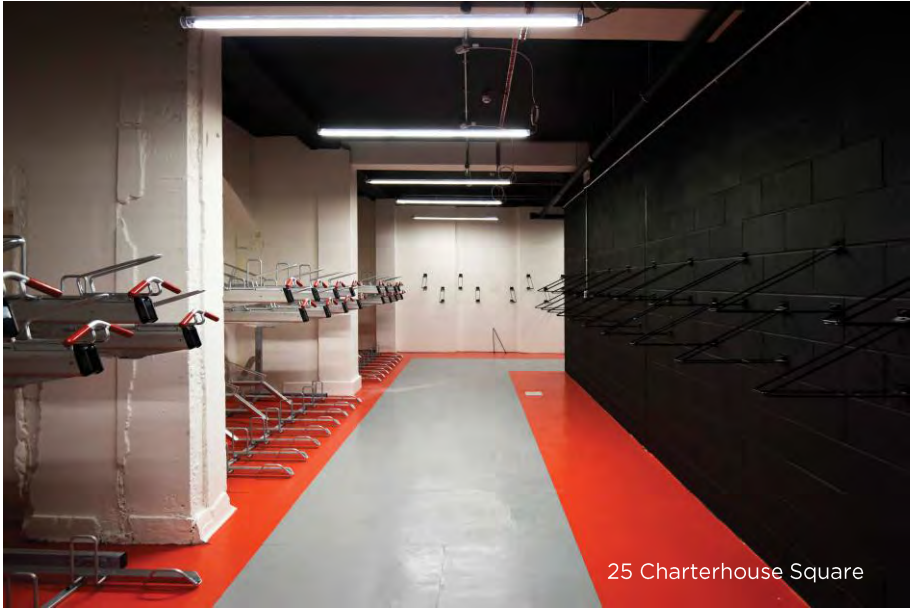
25 Charterhouse Square



The Loom



One Creechurch Place



25 Charterhouse Square

CAFES, RESTAURANTS AND BARS



Bone Daddies at The Bower



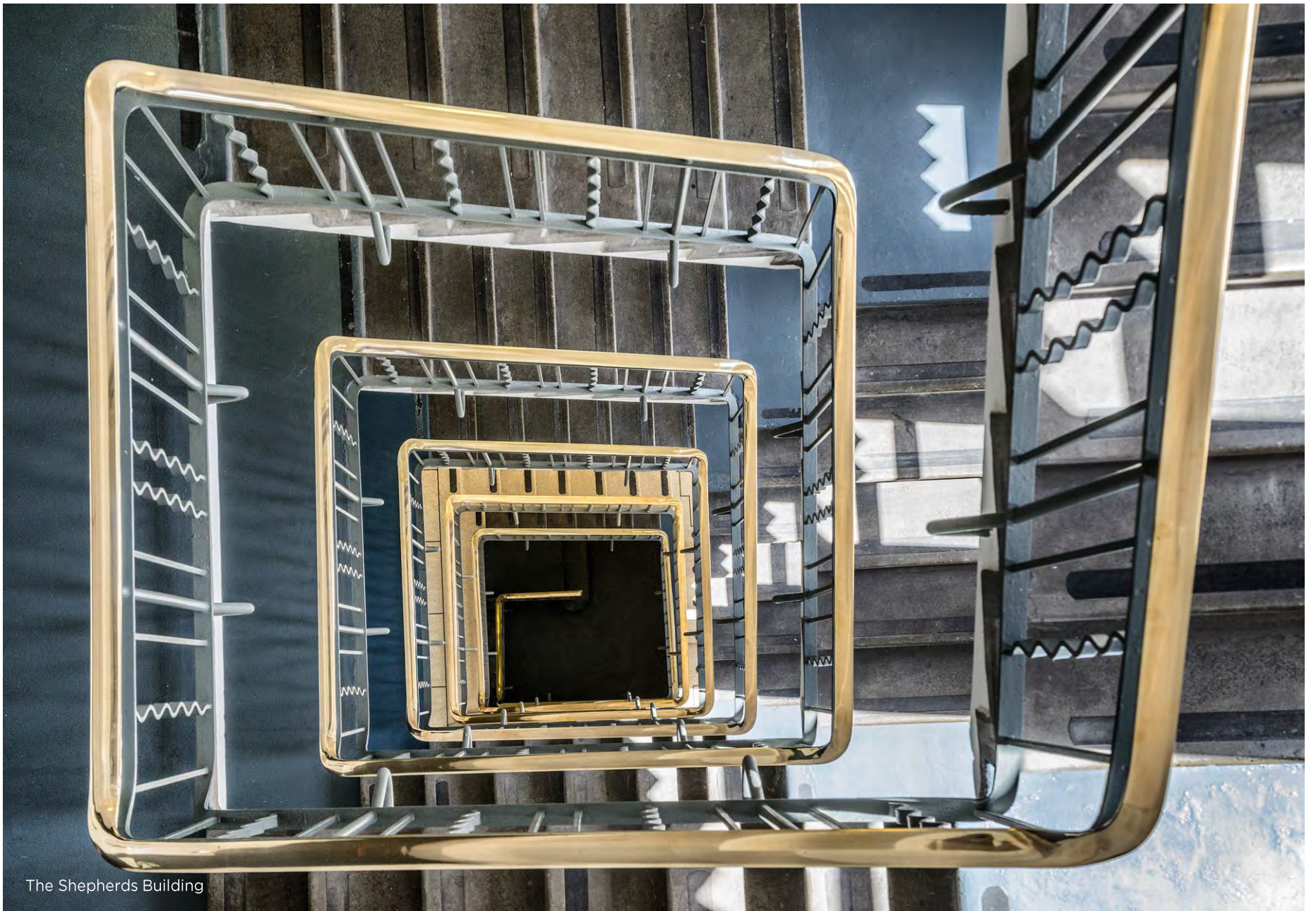
Honest Burger at The Bower



The Draft House at The Bower



Enoteca Pizza Van at The Bower



The Shepherds Building

FLEXIBILITY

London	Status
The Loom, E1	36 tenants 110,000 sq ft
The Warehouse & The Studio, The Bower, EC1	13 tenants 140,000 sq ft
<i>The Tower, The Bower, EC1</i>	<i>Under construction</i> <i>171,000 sq ft (59,000 sq ft let)</i> <i>1 tenant ++</i>
C-Space, EC1	2 tenants 63,500 sq ft
25 Charterhouse Square, EC1	2 tenants + up to 4 further 38,500 sq ft
The Shepherds Building, W14	34 tenants 150,000 sq ft
Power Road, W4	21 tenants 60,000 sq ft

THE LOOM, E1



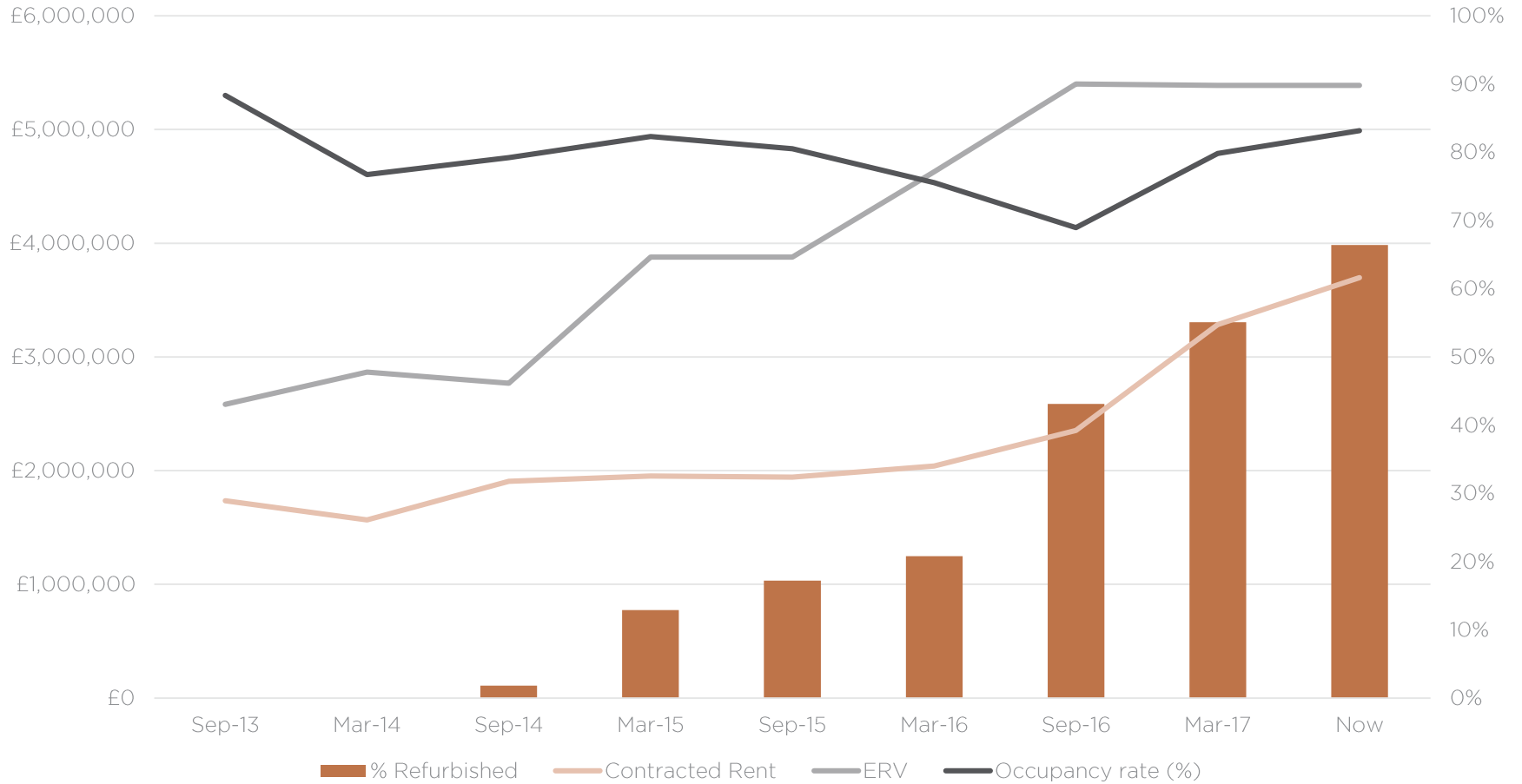
THE LOOM, E1

www.theloom-e1.com

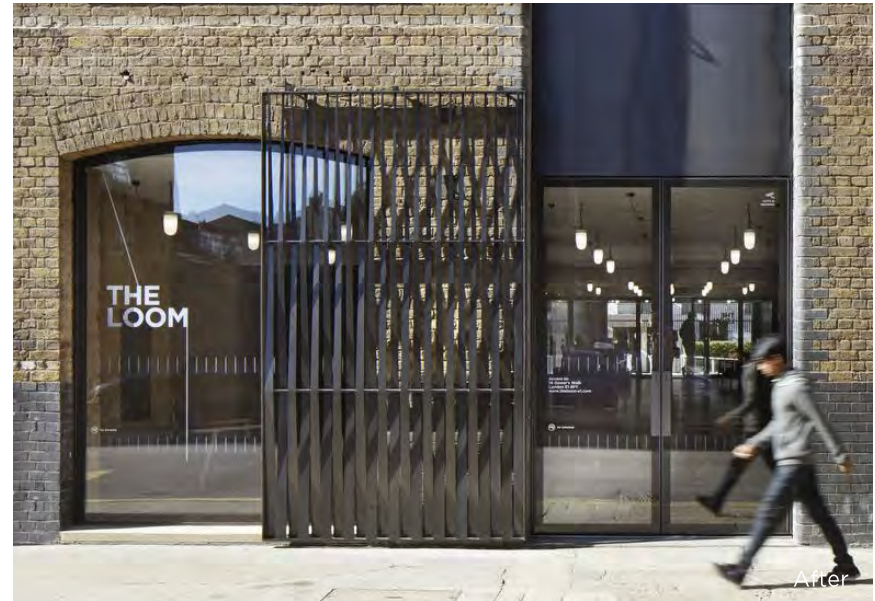
Award winning 110,000 sq ft multi let office building. Main refurbishment completed. 22,000 sq ft to let.

- Acquired July 2013 for £34.2m (£304 psf). 4.4% NIY
- Average rent at acquisition £18.25 psf
- Lease events completed since acquisition:
 - 36 new lettings
 - 11 renewals
 - 10 rent reviews
- Current contracted NOI: £3.57m
- Average contracted rent £40 psf
- Highest headline rent achieved £55 psf
- Comprehensive refurbishment of common parts including new entrance, reception, onsite cafe, bike store and showers
- 75% of office space will have been refurbished by the end of 2017

The Loom: Contracted Rent and Occupancy (Sep-13 to date)



THE LOOM, E1



THE LOOM, E1



Before



After

THE LOOM, E1



ONE CREECHURCH PLACE, EC3



ONE
CREECHURCH PLACE

CAPITA



ONE CREECHURCH PLACE, EC3

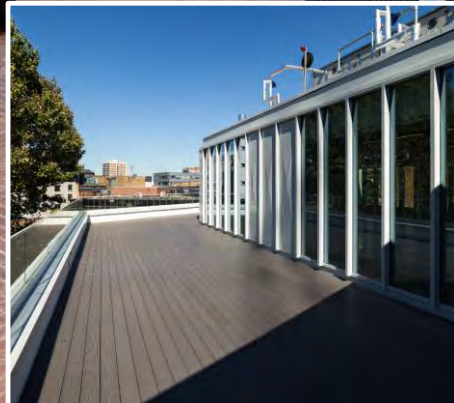
www.onecreechurchplace.com

272,500 sq ft offices. Completed. To be let.

- A new Grade A high quality development of offices on levels 1 - 17 with typical floors of c. 16,000 sq ft and a retail unit at ground floor
- 500 bicycle spaces and 500 lockers in changing rooms
- Completed in November 2016
- Levels 1 - 2, 3, 6 - 7 and 10 - 17 under offer to 4 different tenants. 4 floors remain
- Held on a 155 year lease from the City of London (CoL) at 5% gearing
- Funding with Healthcare of Ontario Pension Plan (HOOPP) who provide 90% of equity and Helical 10%. Helical's interest to be bought out when let at a fixed yield of 5.5%

Level	Sq Ft	Tenant	Total Take	Available
17	15,581		131,919	
16	15,575			
15	15,603			
14	17,280			
13	17,276			
12	17,295			
11	17,300			
10	16,009			
9	15,993			15,993
8	15,979		37,634	
7	15,979			
6	5,676		??	
	10,318			10,318
5	15,994			15,994
4	16,002			16,002
3	15,969		15,969	
2	6,365		??	6,365
	9,658			
1	12,653		22,311	
TOTAL	272,505		207,833	64,672

C-SPACE, EC1



C-SPACE, EC1

www.cspacelondon.co.uk

63,500 sq ft offices. 100% let.

- A major refurbishment of a former carpet factory
- Incorporates a new office reception within a courtyard pavilion and a pedestrian link between City Road and Tabernacle Street
- Ground floor cut back to allow light into lower ground floor and extensive glazing at street level
- Additional office floor and terraces or balconies provided at every level
- Completion October 2015
- Fully let to:

4	NeuLion Ltd £70 psf	
3	MullenLowe £63.50 psf	NeuLion Ltd £65 psf
2	MullenLowe £58.50 psf	
1	MullenLowe £57 psf	
G	MullenLowe £55 psf	
LG	MullenLowe £45 psf	

Total rent: £3.65m p.a.

C-SPACE, EC1



Before



After

C-SPACE, EC1





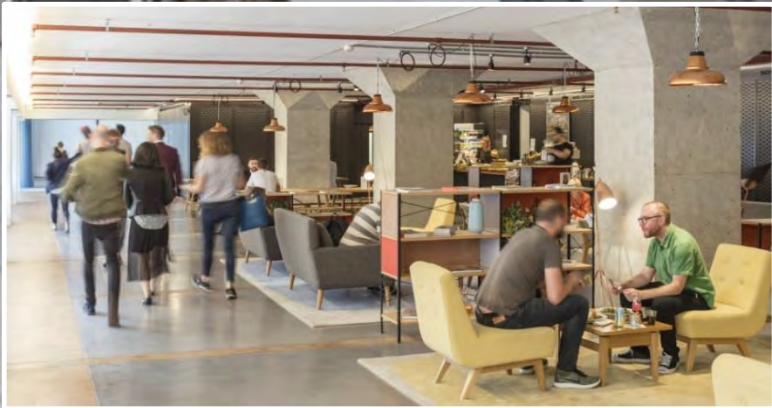
C | Space
LONDON



SECURELY LET FREEHOLD INVESTMENT



THE WAREHOUSE & THE STUDIO, THE BOWER, EC1



THE WAREHOUSE & THE STUDIO, THE BOWER, EC1

www.theboweroldst.com

140,286 sq ft multi let offices. 9,541 sq ft retail. Fully let.

- A major refurbishment with the addition to The Warehouse of new extensions at Levels 1, 2 and 3 and two new floors at Levels 8 and 9
- A new building developed at The Studio
- The creation of a new street linking Old Street to Baldwin Street and significant public realm
- Building works completed in October 2015. Fully let prior to completion to:

Office Tenants	Level	Tenant	Rent psf	Date terms agreed
The Warehouse	9	CBS	£62.50	June 2015
	8	CBS	£62.50	June 2015
	7	Stripe	£67.50	November 2015
	6	Farfetch	£52.50	March 2015
	5	Farfetch	£50.25	November 2014
	4	Farfetch	£50.25	November 2014
	3	Allegis	£55.50	August 2015
	2	Go Pivotal	£53.50	September 2015
1	Go Pivotal	£52.50	September 2015	
The Studio	2	John Brown Media	£45.00	October 2014
	1	John Brown Media	£45.00	October 2014
	UG	John Brown Media	£45.00	October 2014
	G	John Brown Media	£40.00	October 2014

Retail tenants: Bone Daddies, Enoteca Da Luca, Draft House, Honest Burger and Maki Sushi.

THE BOWER, EC1



THE BOWER, EC1



THE TOWER, THE BOWER, ECI

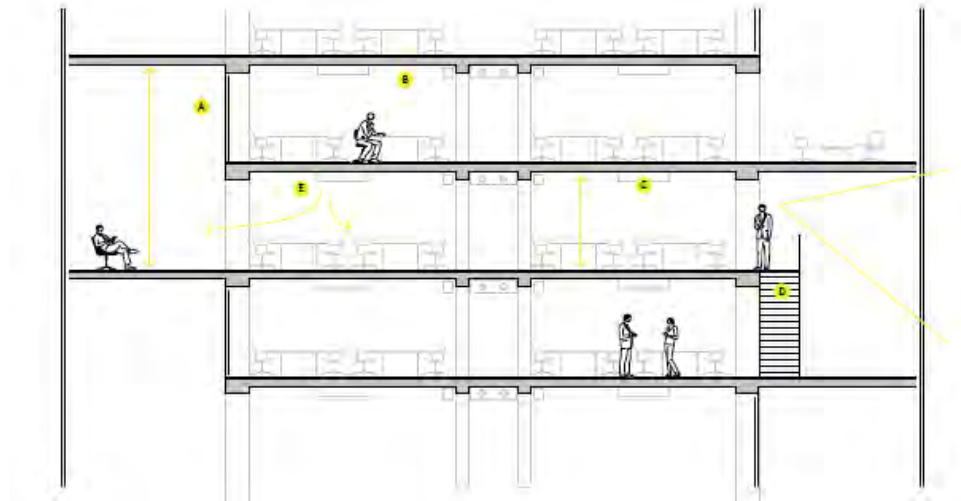


THE TOWER, THE BOWER, EC1

www.theboweroldst.com

171,219 sq ft offices. 7,508 sq ft retail. Major refurbishment, 34% pre let.

- New building using existing frame with new 'wings' at each floor level and three additional floors at top
- 17 floors in total. 9,500 to 11,350 sq ft floorplates
- Levels 1 to 6 (58,904 sq ft) let to WeWork between £62.50 psf and £67.50 psf
- A modern aesthetic with industrial features and exciting double height space to enable excellent connections between floors
- Building works to complete summer 2018



THE TOWER, EC1 – PROPOSED FIT OUT



THE TOWER, EC1 – PROPOSED FIT OUT



25 CHARTERHOUSE SQUARE, EC1



25 CHARTERHOUSE SQUARE, EC1

25charterhousesq.co.uk/

38,518 sq ft offices. 5,160 sq ft retail. Completed. Part let.

- A major refurbishment taking building back to the existing frame and with a new core to provide new Grade A office space from levels 1 to 6 with two ground floor retail units
- Air conditioning, 90 bicycle spaces and 94 lockers
- Building works completed in March 2017
- Levels 5 and 6 let to Anomaly @ £75.00 psf
- Level 4 let to Peakon @ £75.00 psf
- Ground floor units and Level 1 under offer
- A new 155 year lease from Governors of Sutton's Hospital in Charterhouse at 8.25% gearing. Charterhouse receive 50% of profit above 15% profit on cost
- 50 yards from Farringdon East Elizabeth Line Station. Overlooks the re-landscaped and refurbished square





ANOMALY & PEAKON FIT OUT



FARRINGTON EAST - OSD, EC1



FARRINGTON EAST – OSD, EC1

- Acquisition of Farringdon East Ltd which has been the benefit of a development agreement with TFL (Crossrail) for the building of a new consented 89,000 sq ft office scheme with ground floor cafe/restaurant over Farringdon East Crossrail Station
- 150 year leasehold interest with a 10% ground rent payable on contracted rents
- Start on site Q2 2018 with completion end of 2019
- Crossrail opens December 2018



RESIDENTIAL PHASES 1 & 2, BARTS SQUARE, EC1



RESIDENTIAL PHASES 1 & 2, BARTS SQUARE, EC1

www.bartssquare.com

Phase 1

123,579 sq ft residential (144 apartments), 3,101 sq ft retail. Under construction.

- Sales:
 - 144 units launched with total value of £195m
 - 127 units exchanged and 2 reserved
 - Average sales price to date £1,572 psf
- Residents' concierge, bar and screening room. 26 car spaces and 176 bicycle spaces
- Building works to complete on sectional basis with the final building to be completed by Q1 2018

Phase 2

78,627 sq ft residential (92 apartments), 11,817 sq ft retail. Demolition is completed.

- Gross Development Value (including retail) £145m at £1,600 psf
- Completion of construction in mid 2019



ONE BARTHOLOMEW CLOSE, BARTS SQUARE, EC1



ONE BARTHOLOMEW CLOSE, BARTS SQUARE, EC1

www.onebartholomewclose.co.uk

213,000 sq ft offices. Under construction. To be let.

- A new Grade A building, over ground and 11 upper levels with typical floors of c. 19,000 sq ft
- Terrace on 10th floor with magnificent views of St Paul's Cathedral
- Top specification including a minimum 1:8 occupancy ratio throughout
- 336 bicycle spaces and extensive tenant facilities
- Building works due to complete July 2018
- Site sold to and development funded by clients' of Ashby Capital
- Baupost/Helical to receive profit share based on fixed yield of 5%, variable on rent

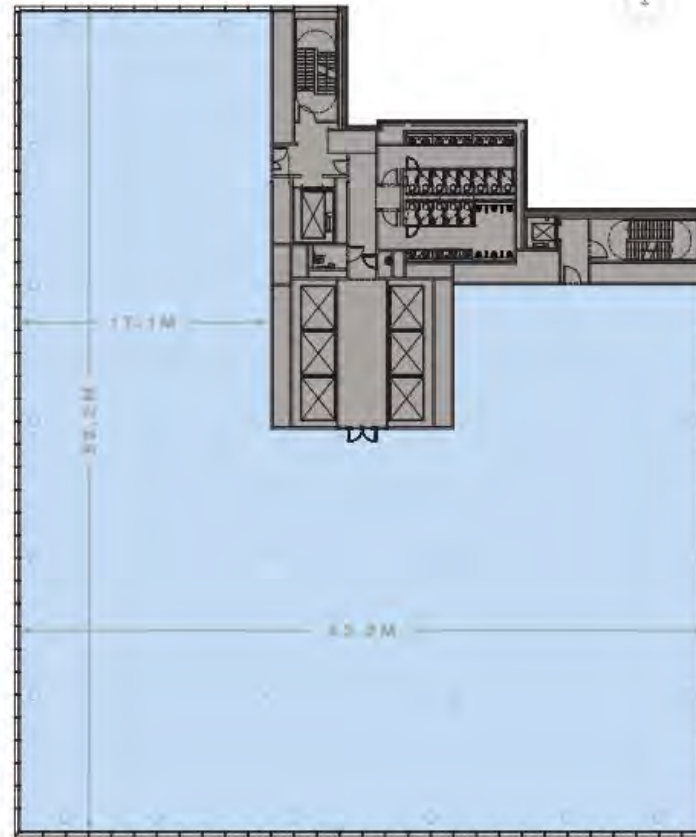


TYPICAL FLOOR PLAN

ONE
BARTHOLOMEW
CLOSE

KEY

	Office 19,418 sq ft (1,804 sq m)
	Core





90 BARTHOLOMEW CLOSE, BARTS SQUARE, EC1



90 BARTHOLOMEW CLOSE, BARTS SQUARE, EC1

www.bartssquare.com

23,508 sq ft offices, 5,711 sq ft retail/restaurant. Under construction. To be let.

- A new Grade A office, built behind a historic façade with a prominent restaurant unit at ground and lower ground levels. The office accommodation is arranged over levels 1st to 5th
- 74 bicycle spaces with associated lockers and showers at basement level
- On site with completion due in November 2017
- Less than 400 metres to Farringdon East Elizabeth Line station and St Pauls Central Line station
- Adjoins and overlooks what will be the newly enhanced public space at the heart of the Barts Square development



LONDON OVERVIEW

- General post Brexit recovery of outlook:
 - IPF survey August 2016 forecast for UK total returns was 0.6%.
 - May 2017 4.7%
 - August 2017 6.7%
- City investment turnover YTD £7.4 billion in 77 deal. 51% up on same point in 2016. Rolling 12 months £10.6 billion - 41% up on long term average (Source: Savills)
- City total take up YTD 4.45 million sq ft – 29% up on this point last year. 81% Grade A standard. 12 months rolling take up 6.8 million sq ft – 38% above long term average (Source: Savills)
- City centre demand at 5.9 million sq ft equal to 10 year average. City vacancy at 4.6% down from 4.8% in RI. (Source: JLL)
- London – A/The World City
 - Population growing 100,000 p.a.
 - GDP growth expected to be 2.3% until 2021 versus 25 major European cities at 1.9% (Oxford Economics 1 August 2017)
- Threats
 - Insufficient skilled and unskilled labour
 - Lack of housing
 - Poor infrastructure
 - Politics

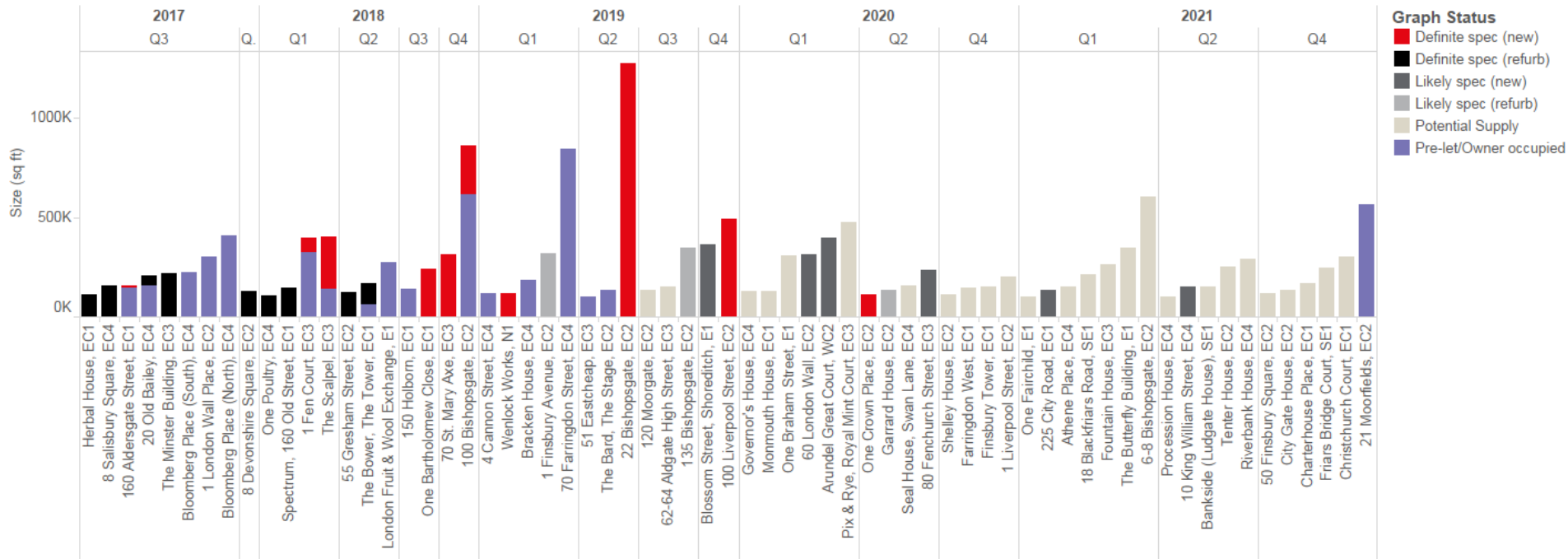
Table 1: Total population (millions)

Year	Central	Long-term	Short-term
2011	8.22	8.22	8.22
2016	8.80	8.80	8.80
2021	9.30	9.23	9.34
2026	9.73	9.61	9.81
2031	10.11	9.94	10.21
2036	10.46	10.25	10.58
2041	10.78	10.52	10.92

GLA 2016-based population projections

CITY DEVELOPMENT PIPELINE, SEPTEMBER 2017

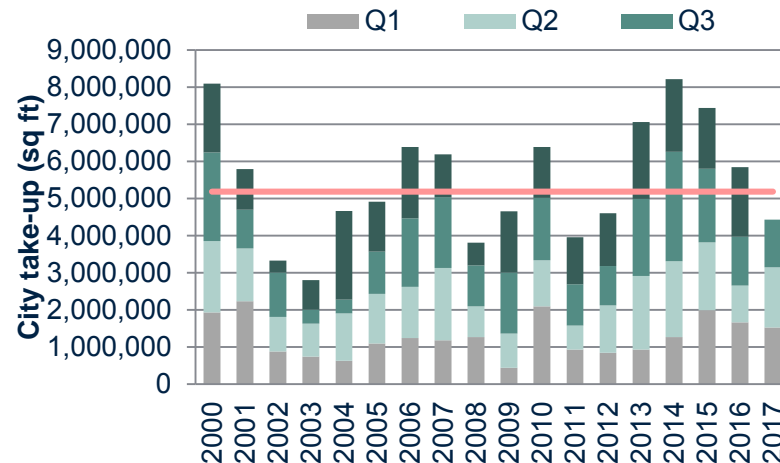
Development pipeline by letting status, >100,000 sq ft



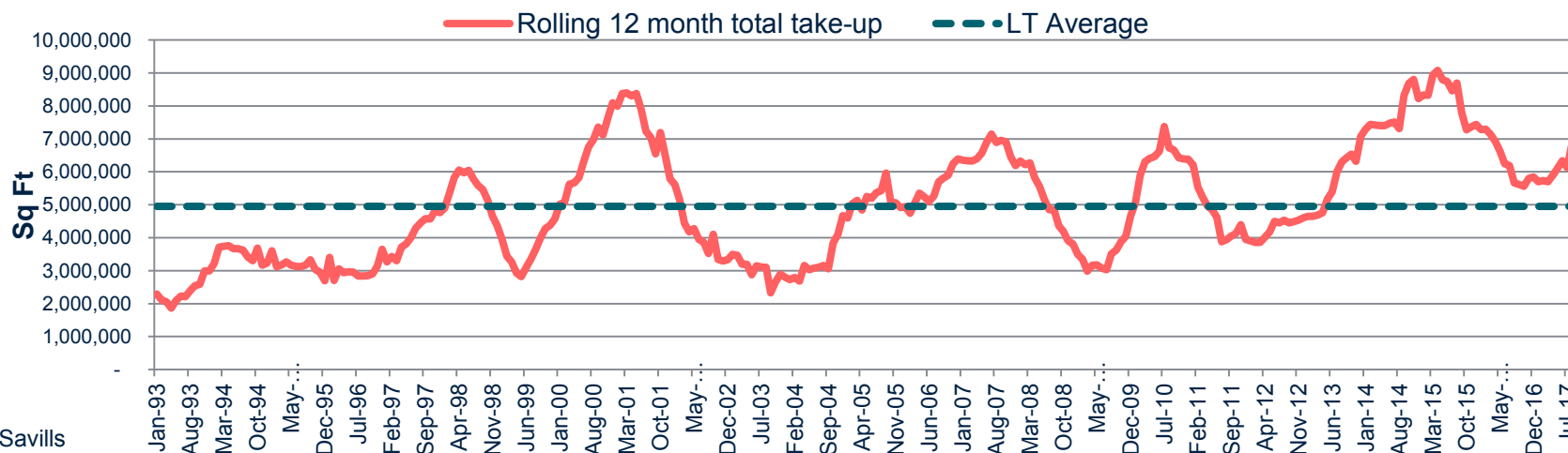
Updated: 27.09.2017

City and Tech Belt take-up

- Take-up in August 2017 reached 908,460 sq ft bringing the total for Q3 so far to 1.3m sq ft. This is 29% up on this point last year, and 82% of the transactions were of a grade A standard.
- August take-up was significantly boosted by Deutsche Bank's 570,000 sq ft pre-let at 21 Moorfields
- The 12-month rolling total take-up is 6.8m sq ft at the end of August, up on the LT average by 38%.
- Total demand is currently at 8.1m sq ft of requirements for Central London and City, which is 5% down on the long-term average

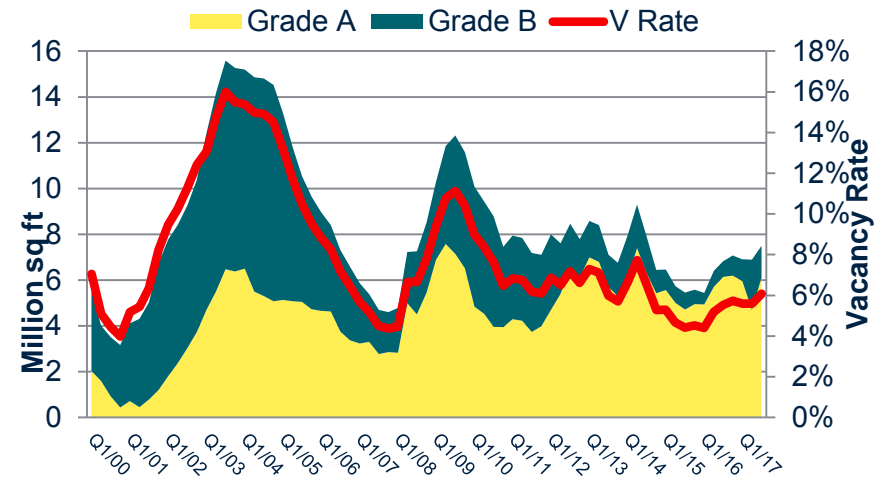


Note 2017 data accurate to end of August

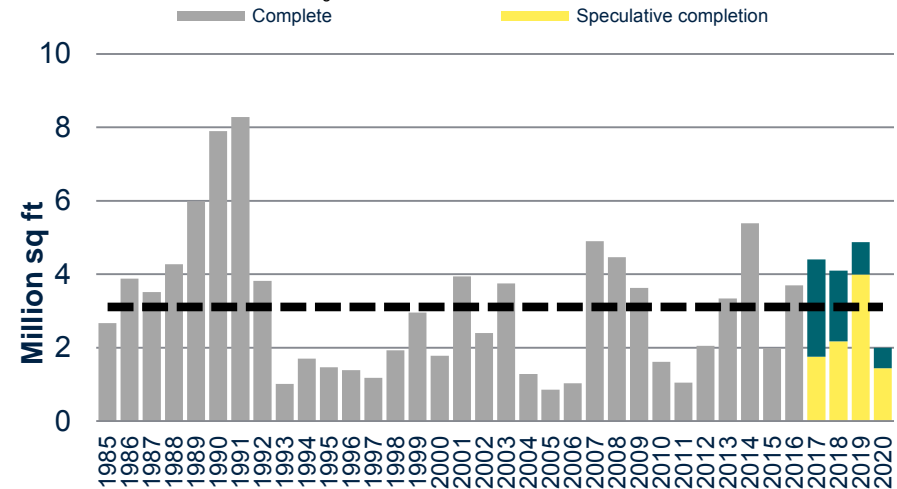
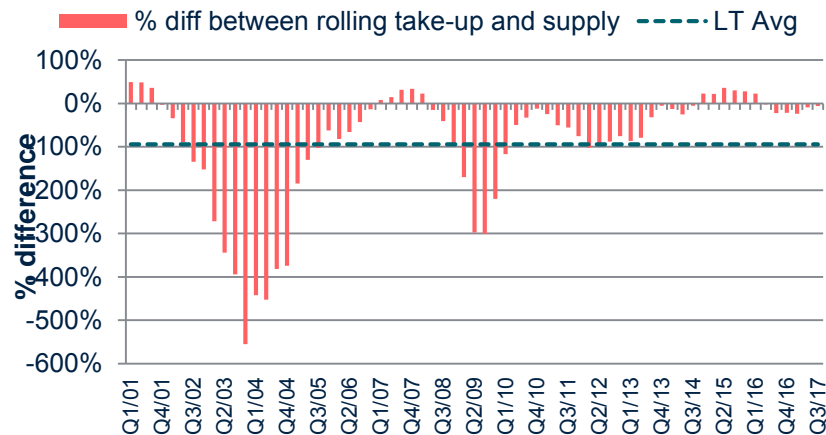


City and Tech Belt supply/availability

- The City and Tech Belt vacancy rate remains low in historic context at 5.8%
- Currently, the 12-month rolling take-up is just 6% less than current supply, compared with the LT avg of being 94% less. To put this into context, the last time the City experienced significant oversupply (2009), take-up was 300% less than total supply, and also reached 555% less at the end of 2003
- 2017 - 2019 are expected to see above average levels of development and refurbishment completions, but 39% of the 2017-2020 pipeline is already pre-let. There is a further circa 750,000 sq ft of future space currently under-offer
- Furthermore, we still expect some of the schemes anticipated for 2019 and beyond will be delayed and pushed back

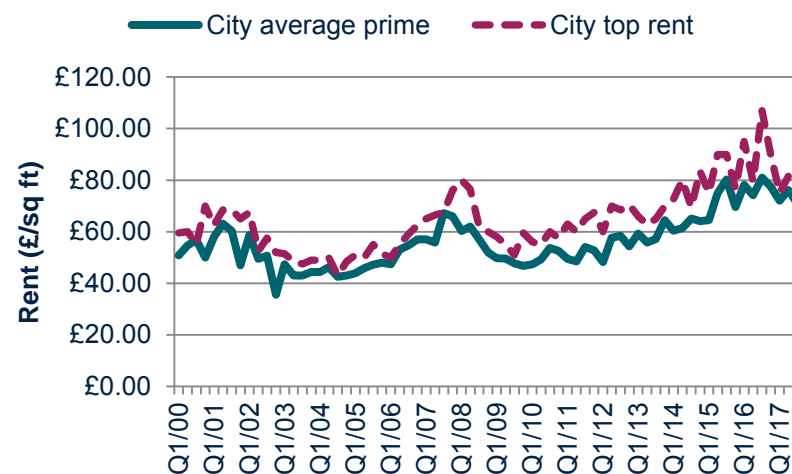
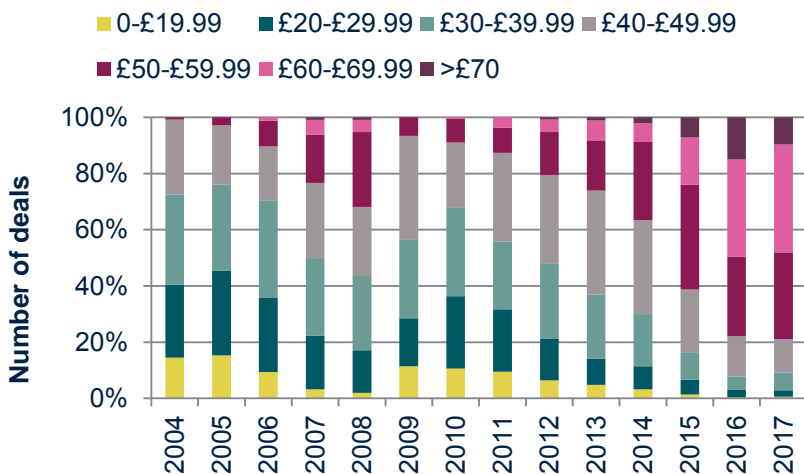
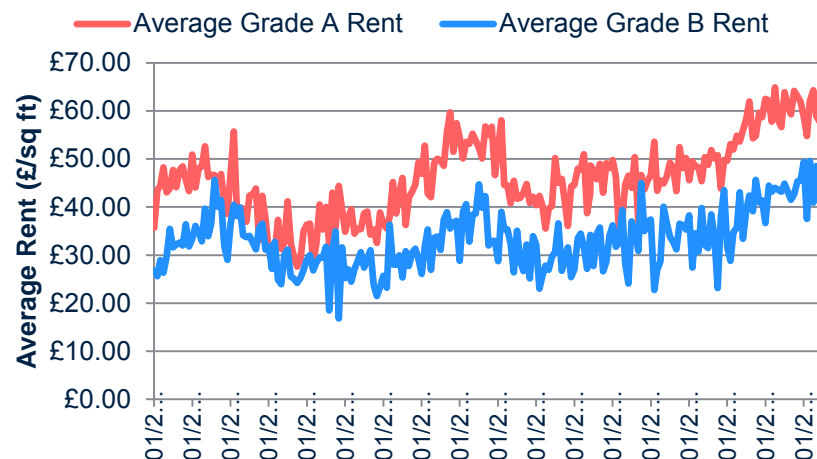


Note 2017 data accurate to end of August



City and Tech Belt rental trends

- Headline rents on Prime and Grade A property in the City and Tech Belt have slightly fallen – the average grade A rent for Q3 2017 so far is £60.21/sq ft
- With that being said, 48% of the known rents so far this year have been over £60.00/sq ft
- The average rent-free period on a straight 10 year lease in Q3 2017 so far is 25 months
- The average prime rent for Q3 so far is £71.00/sq ft, down on last year by 7%



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