

**18 January 2018**

**WORKSPACE GROUP PLC**

**THIRD QUARTER BUSINESS UPDATE**

**WELL POSITIONED FOR CONTINUED GROWTH WITH STRONG DEMAND FOR OUR FLEXIBLE OFFER**

**HIGHLIGHTS**

- Continued strong customer demand in October and November with a seasonal fall in enquiries in December. Enquiries averaged 858 per month in the quarter (Q3 2016/17: 1,009).
- Lettings in the quarter averaged 86 per month compared to 85 per month in the same quarter last year.
- We have seen good levels of customer demand in January 2018, with 489 enquiries in the first two weeks.
- Continued success in letting up of recently completed projects. Occupancy at The Record Hall in Holborn, which opened in May 2017, reached 73% by the end of December 2017.
- Good progress on our refurbishment and redevelopment projects underway, with over 483,000 sq. ft. of new and refurbished space due to complete in 2018, and the integration of The Salisbury, Finsbury Circus, proceeding to plan.
- Well positioned with cash and undrawn facilities of £269m as at 31 December 2017. Pro-forma LTV ratio of 19% at 31 December 2017, based on 30 September 2017 valuation.

Jamie Hopkins, Chief Executive Officer, Workspace Group PLC, commented:

*“We’ve had another good quarter, with completed projects continuing to let up well and good progress being made on our many projects underway. As expected, enquiries fell during the seasonally quieter December and have picked up again in the first two weeks of 2018. With our marketing expertise, coupled with ownership of the right real estate, I believe Workspace is well positioned to take advantage of the growing interest from all kinds of businesses in our inspiring, well-connected spaces.”*

## Enquiries and Lettings

There were good levels of customer demand in October and November with enquiries averaging 1,015 per month. The seasonal downturn in enquiries in December was more marked this year and, as a result, enquiries averaged 858 per month for the quarter as a whole, compared to 1,009 per month in the same quarter last year. Lettings in the quarter averaged 86 per month compared to 85 per month in the same quarter last year.

Average number per month	Quarter Ended				
	31 Dec 2017	30 Sep 2017	30 Jun 2017	31 Mar 2017	31 Dec 2016
Enquiries	858	1,039	1,055	1,183	1,009
Lettings	86	97	95	101	85

We have seen good levels of demand return in January 2018, with 489 enquiries in the first two weeks.

## Refurbishment and Redevelopments

Our completed projects continue to let up well with occupancy at The Record Hall in Holborn, a new 58,000 sq. ft. business centre opened in May 2017, reaching 73% by the end of December 2017, up 10% in the quarter.

We continue to make good progress on our extensive refurbishment project pipeline, with 399,000 sq. ft. of new and upgraded space due to complete during 2018. We also have four mixed use redevelopments underway with two new business centres, providing 84,000 sq. ft. of new space due to open in the next six months.

In November 2017, we completed the sales, for residential redevelopment, of Stratford Office Village and the Arches in Southall for £27m in cash, in line with their 30 September 2017 valuations.

## Financing

Net debt reduced by £26m in the quarter to £396m at 31 December 2017, with cash balances and undrawn facilities of £269m. The pro-forma loan-to-value ratio at 31 December 2017, based on the 30 September 2017 property valuation is 19% (30 September 2017: 20%).

ENDS

### For further information, please contact:

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## **Notes to Editors**

### **About Workspace Group PLC:**

Workspace is geared towards helping businesses perform at their very best. The Workspace Advantage is our unique customer offer and is open to organisations of all sizes – we provide inspiring, flexible work spaces with super-fast technology in dynamic London locations. Established in 1987, and listed on the London Stock Exchange since 1993, Workspace owns and manages 3.6 million sq. ft. of business space across 66 London properties. We are home to some 4,000 businesses including some of the fastest growing and established brands across a wide range of sectors.

The way businesses work is changing. That's why we continually invest in providing the technology infrastructure that enables our customers to think and move fast, and alongside their working environment, is tailored to each individual business.

Workspace (WKP) is a FTSE 250 listed Real Estate Investment Trust (REIT) and a member of the European Public Real Estate Association (EPRA).

For more information on Workspace, visit [www.workspace.co.uk](http://www.workspace.co.uk)