

**12 October 2023**

**WORKSPACE GROUP PLC**

**SECOND QUARTER BUSINESS UPDATE FOR THE  
PERIOD ENDING 30 SEPTEMBER 2023**

Workspace Group PLC (“Workspace”), London’s leading owner and operator of sustainable, flexible work space, provides a business update for the second quarter ending 30 September 2023.

**HIGHLIGHTS**

- Good customer demand with 323 new lettings completed in the quarter, with a total rental value of £8.0m per annum
- Strong rental growth with like-for-like rent roll up 3.0% in the quarter, up 6.3% in the half year to £108.6m, and up 9.9% over the last year
- Improved pricing with like-for-like rent per sq. ft. up 3.3% in the quarter, the ninth consecutive quarterly increase, and 6.6% in the half year, to £42.98
- Like-for-like occupancy broadly stable at 88.7% (30 June 2023: 89.2%)
- Good progress on disposals of non-core assets, with £92.8m completed in the first half of the year, and a further £9.0m disposal exchanged in October
- Robust balance sheet with £133m of cash and undrawn facilities and proforma LTV of 32.6% (based on 31 March 2023 valuation)

Graham Clemett, Chief Executive Officer, Workspace Group PLC, commented:

*“Our offer is tailored to the needs of bright, growing SMEs, the unsung heroes of the London economy. Our strong first half performance demonstrates that this focus sets us apart from others in the market.*

*Space requirements are undoubtedly changing, which is playing to our advantage. Our customers want a great working environment, in the right place, with true, all-round flexibility – not just a shorter lease – at good value. This is driving strong demand and with occupancy stable at around 90%, the resulting pricing tension enables us to continue to improve rents.*

*We have also made good progress in the planned disposal of non-core assets, enabling us to recycle capital efficiently, selectively investing in our programme of upgrades across the portfolio.*

*We enter the second half of the year in a strong position. Although mindful of the wider economic challenges, we are confident that we are well placed with a differentiated offer that resonates with London’s SMEs.”*

## Customer activity

We have seen good demand with 323 new lettings completed in the second quarter with a total rental value of £8.0m.

	Monthly Average			Monthly Activity		
	Q2 2023/24	Q1 2023/24	FY 2022/23	30 Sep 2023	31 Aug 2023	31 Jul 2023
Enquiries	837	738	798	916	824	771
Viewings	527	491	517	578	480	524
Lettings	108	87	109	112	111	100

Total rent roll increased by 1.3% (£1.8m) in the first half to £141.9m, as detailed below:

Total Rent Roll	£m
At 31 March 2023	140.1
Like-for-like portfolio	6.4
Disposals	(4.8)
Other	0.2
<b>At 30 September 2023</b>	<b>141.9</b>

Like-for-like rent roll was up 3.0% in the quarter, 6.3% in the half year, to £108.6m and 9.9% over the last year (with a 3.4% increase in like-for-like rent roll reported in the six months to 31 March 2023). Like-for-like rent per sq. ft. increased by 3.3% in the second quarter and 6.6% in the half year, to £42.98. Like-for-like occupancy remained broadly stable, down by 0.5% in the quarter to 88.7%.

	Quarter Ended		
	30 Sep 23	30 Jun 23**	31 Mar 23**
Like-for-like occupancy	88.7%	89.2%	89.3%
Like-for-like occupancy change*	(0.5)%	(0.1)%	0.0%
Like-for-like rent per sq. ft.	£42.98	£41.60	£40.30
Like-for-like rent per sq. ft. change	3.3%	3.2%	3.0%
Like-for-like rent roll	£108.6m	£105.4m	£102.2m
Like-for-like rent roll change	3.0%	3.1%	1.8%

\*Absolute change

\*\*Restated for the reclassification of Westbourne Studios, which is now included in the like-for-like category

## Portfolio activity

In June, we completed on the sale of five light industrial and logistics properties in Bracknell, Crawley, Poyle, Theale and Weybridge for £82.0m, in line with their March 2023 valuations.

In the second quarter, we completed on the sale of Columbia House, Farnborough for £7.3m and Ancells Road, Fleet for £3.5m, both in line with their March 2023 valuations.

In aggregate, these disposals have delivered £92.8m of proceeds in the first half of the year, at a net initial yield of 5.1%.

In October, we exchanged on the sale of an advertising tower adjacent to The Mille Building in Brentford for £9.0m in line with the March 2023 valuation, with completion expected by the end of the month.

## **Financing**

Net debt increased by £33m in the quarter to £867m, following payment of the full year dividend. Cash and undrawn facilities were £133m as at 30 September 2023 with LTV at 32.6% on a proforma basis, based on the 31 March 2023 valuation. At 30 September 2023, our average cost of debt was 4.1%.

## **Half year results**

Workspace will publish its half year results for the six months to 30 September 2023 on 21 November 2023. A presentation to analysts and investors will be held at 9.00 in our recently opened Eventspace, at our refurbished Salisbury House, 114 London Wall, EC2M 5QA.

– ENDS –

## **For further information, please contact:**

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## **Notes to Editors**

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

Workspace is London's leading owner and operator of flexible workspace, currently managing 4.7 million sq. ft. of sustainable space at 79 locations in London and the South East.

We are home to some 4,000 of London's fastest growing and established brands from a diverse range of sectors. Our purpose, to give businesses the freedom to grow, is based on the belief that in the right space, teams can achieve more. That in environments they tailor themselves, free from constraint and compromise, teams are best able to collaborate, build their culture and realise their potential.

We have a unique combination of a highly effective and scalable operating platform, a portfolio of distinctive properties, and an ownership model that allows us to offer true flexibility. We provide customers with blank canvas space to create a home for their business, alongside leases that give them the freedom to easily scale up and down within our well-connected, extensive portfolio.

We are inherently sustainable – we invest across the capital, breathing new life into old buildings and creating hubs of economic activity that help flatten London's working map. We work closely with our local communities to ensure we make a positive and lasting environmental and social impact, creating value over the long term.

Workspace was established in 1987, has been listed on the London Stock Exchange since 1993, is a FTSE 250 listed Real Estate Investment Trust (REIT) and a member of the European Public Real Estate Association (EPRA).

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