

## M&G agrees joint venture with Nomura Real Estate Development on £200 million prime central London office scheme - The Fitzrovia

*Deal signals growing international appetite to invest in the future of central London's Grade A office market  
Due to complete in late 2024 and will be delivered to the highest environmental and wellbeing standards*

**London: 14 December 2023** – As a strong sign that demand for best-in-class offices in the central London office market is here to stay, M&G Real Estate and Nomura Real Estate Development Ltd (NRED) have announced a joint venture on 'The Fitzrovia', a £200 million 86,370 sq ft mixed-use scheme on Tottenham Court Road in London's West End.

Having identified an opportunity to invest in a strategically located, supply-constrained market, M&G, on behalf of its 5 million policy holders in the £129 billion Prudential With Profits Fund, had a vision to capitalise on the Crossrail infrastructure. In similar fashion, M&G invested in 40 Leadenhall - its pioneering office scheme in the Square Mile in 2019, addressing the lack of Grade A stock over the next few years. The combination of With Profits capital in addition to M&G Real Estate's market expertise in both of these deals demonstrate that as an asset owner and asset manager, M&G is agile enough to make prescient calls of scale.

The Fitzrovia will capitalise on the demand for prime, Grade A office buildings that champion key sustainability and employee wellbeing demands as occupiers seek buildings which align closely with their own corporate goals. Recent reports from leading agents indicates that tenant demand for quality office space continues to be buoyant, currently accounting for 95% of leasing in the City of London office market.<sup>1</sup> Backed by strong occupational and investor demand, NRED's commitment importantly confirms international appetite for best-in-class Central London office assets.

**Peter Riley, Head of Capital Solutions & UK Commercial at M&G Real Estate, says:** "This joint venture is a clear sign that the central London office market is here to stay. Crossrail has made central London more accessible than ever spurring much needed, transformational investment into the area, benefitting The Fitzrovia. We look forward to a long and mutually beneficial partnership with NRED and targeting further selective opportunities to invest alongside leading real estate investors across the globe, to improve the built environment and deliver world class real estate investment propositions of scale."

The Fitzrovia will be built to the highest environmental and wellbeing standards. With a gross development value of circa £200 million, it will deliver circa 86,000 sq ft of office, retail and residential space as M&G maintains its commitment to the thriving West End office market, which has benefited in particular from the opening of the Elizabeth Line – or Crossrail as it is also known. On completion, in Q3 2024, M&G will be retained as asset manager.

M&G Real Estate is part of M&G plc's £73 billion Private Markets division.

**-ENDS-**

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**Notes to Editors**

<sup>1</sup>Savills 'City Office Market Watch' July 2023

**About 'The Fitzrovia'**

The Fitzrovia will be built to the highest environmental and wellbeing standards, targeting a NABERS Design & Performance Rating of 5 Stars (Excellent), BREEAM Outstanding and Platinum WELL accreditations. Carbon and on-site emissions will be minimised by an offsite construction approach, while innovative building materials will be used to optimise prefabricated components with a total of 267,000 kg of carbon and 25,000 kg of CO2 saved throughout construction.

It will be an all-electric scheme with solar panels incorporated as part of a green roof terrace to encourage biodiversity within central London. Occupiers will benefit from light-filled flexible workspace as well as a range of communal facilities including outdoor terracing, café, bike storage, changing and shower facilities.

**About M&G Investments**

M&G Investments is part of M&G plc, a savings and investment business which was formed in 2017 through the merger of Prudential plc's UK and Europe savings and insurance operation and M&G, its wholly owned international investment manager. M&G plc listed as an independent company on the London Stock Exchange in October 2019 and has £332 billion of assets under management (as of 30 June 2023). M&G plc has over 5 million customers in the UK, Europe, the Americas and Asia, including individual savers and investors, life insurance policy holders and pension scheme members.

For nearly nine decades M&G Investments has been helping its customers to prosper by putting investments to work, which in turn creates jobs, homes and vital infrastructure in the real economy. Its investment solutions span equities, fixed income, multi asset, cash, private debt, infrastructure and real estate.

M&G recognises the importance of responsible investing and is a signatory to the United Nations Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Programme.

M&G plc has committed to achieve net zero carbon emissions on its total book of assets under management and administration by 2050 and committed to reduce operational carbon emissions as a corporate entity to net zero by 2030.

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