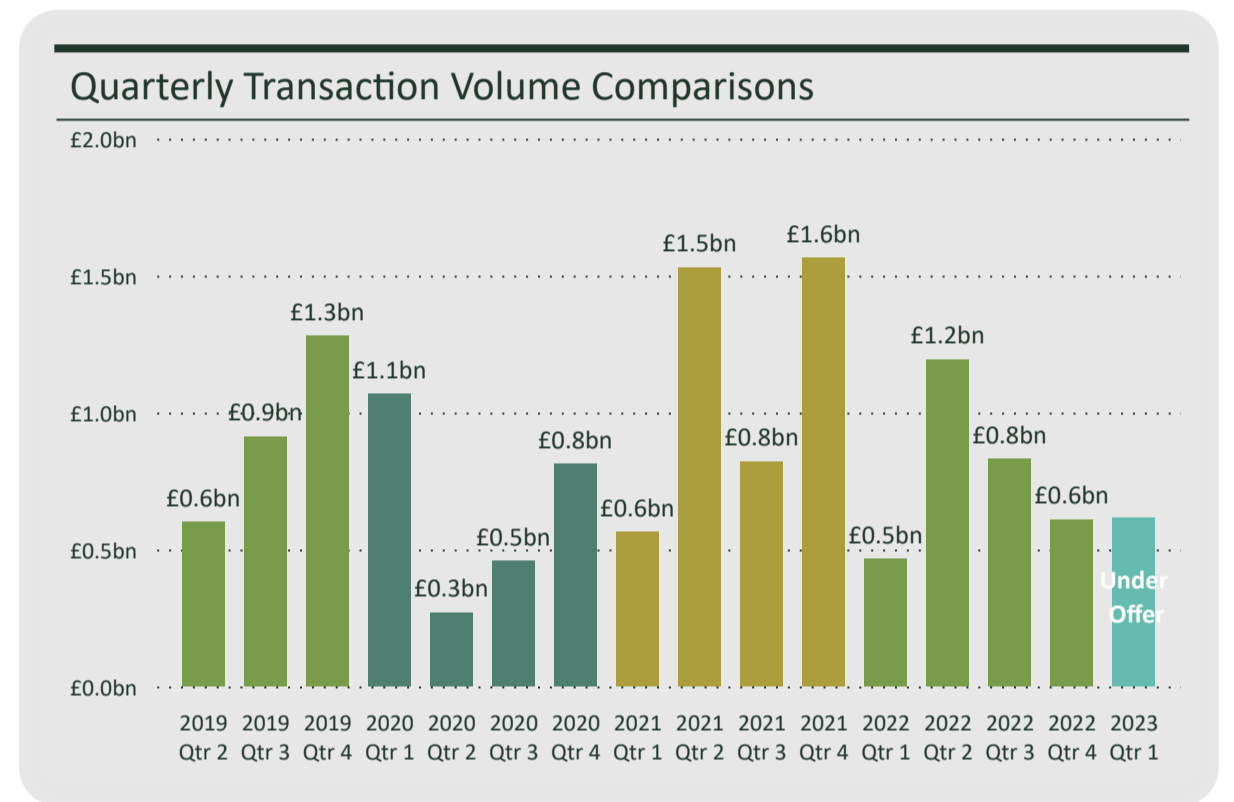
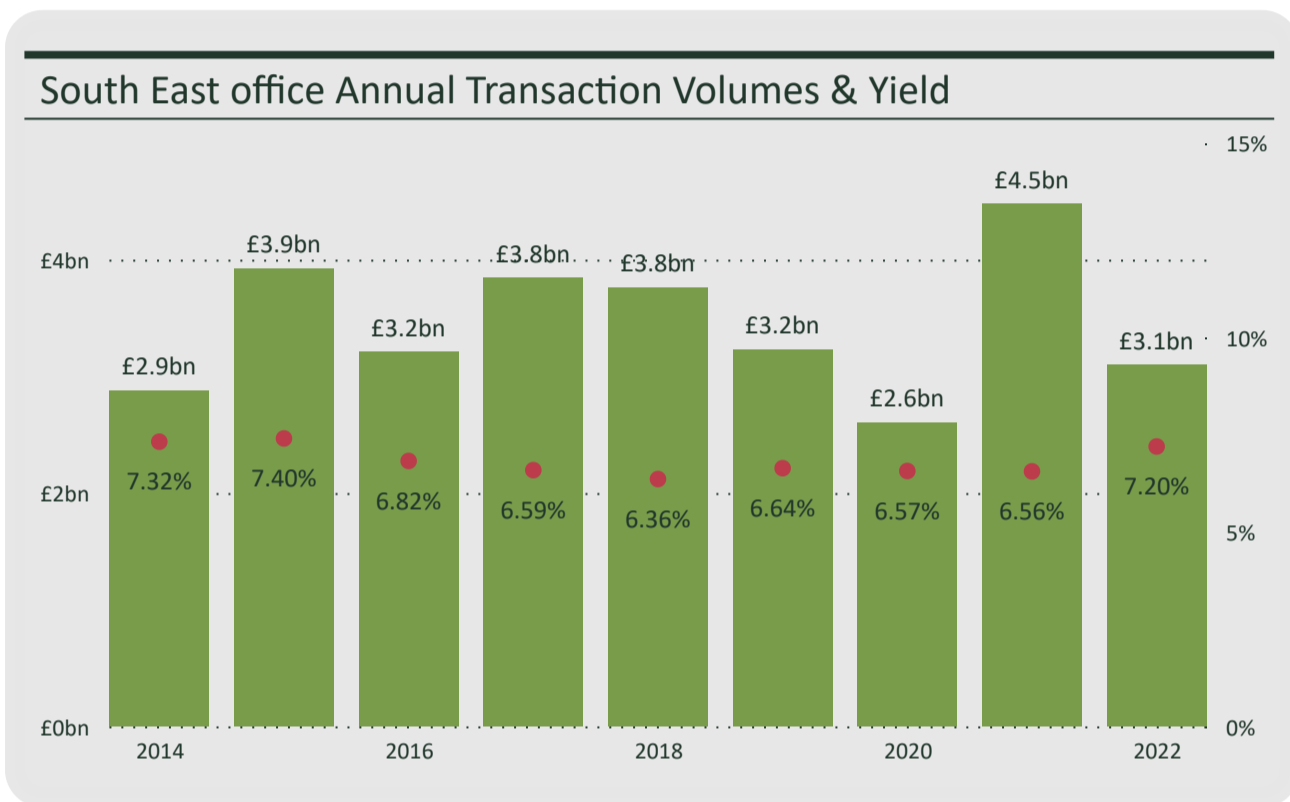
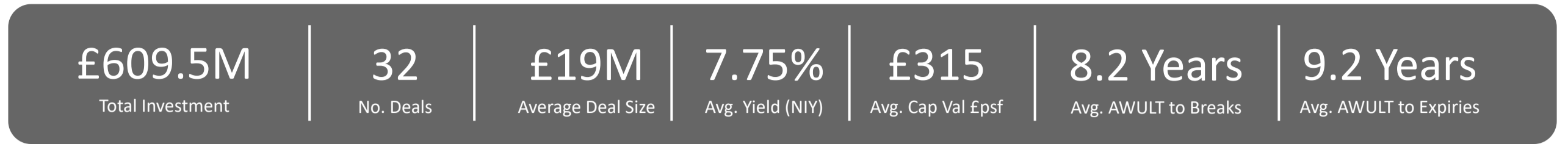


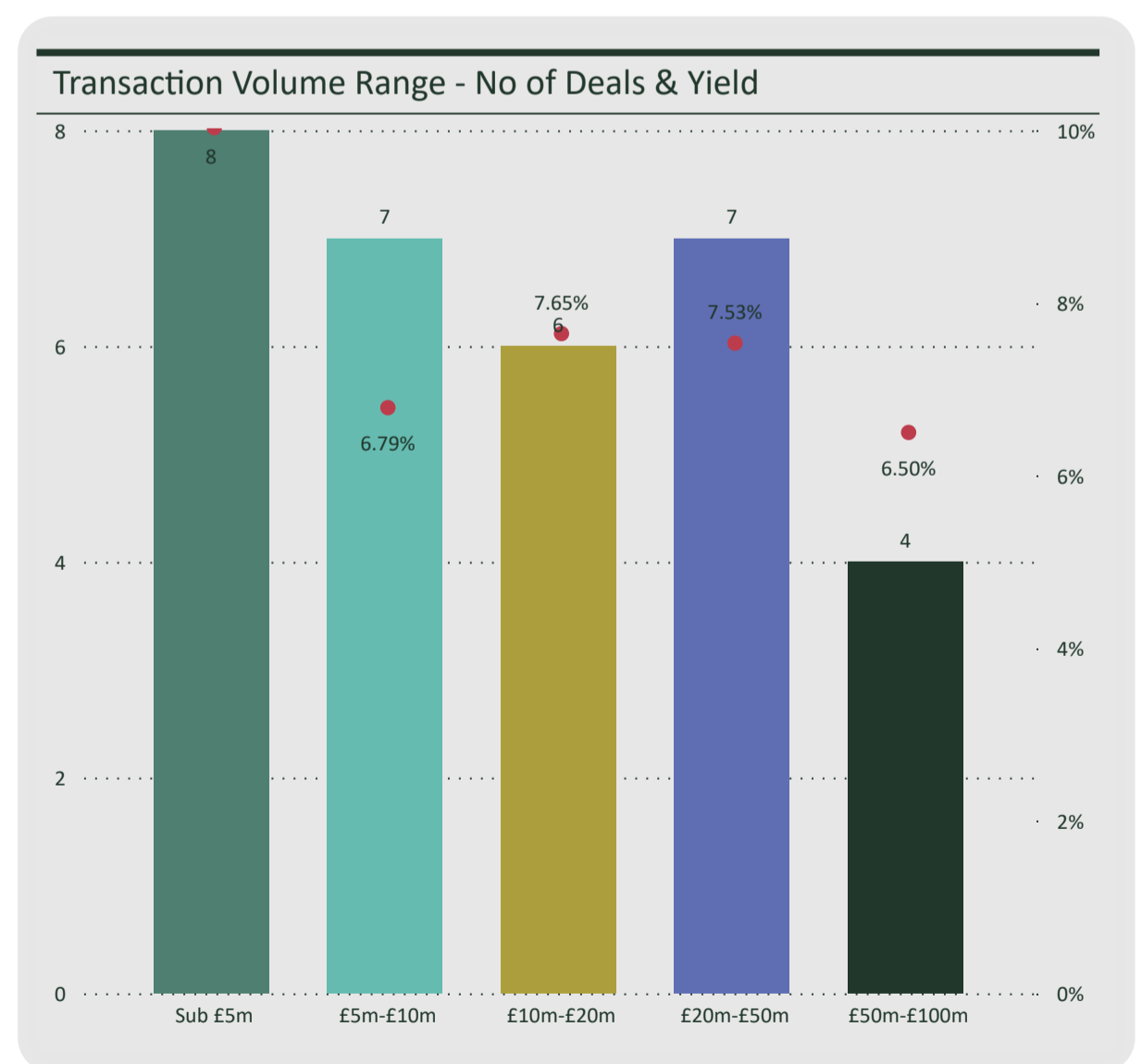
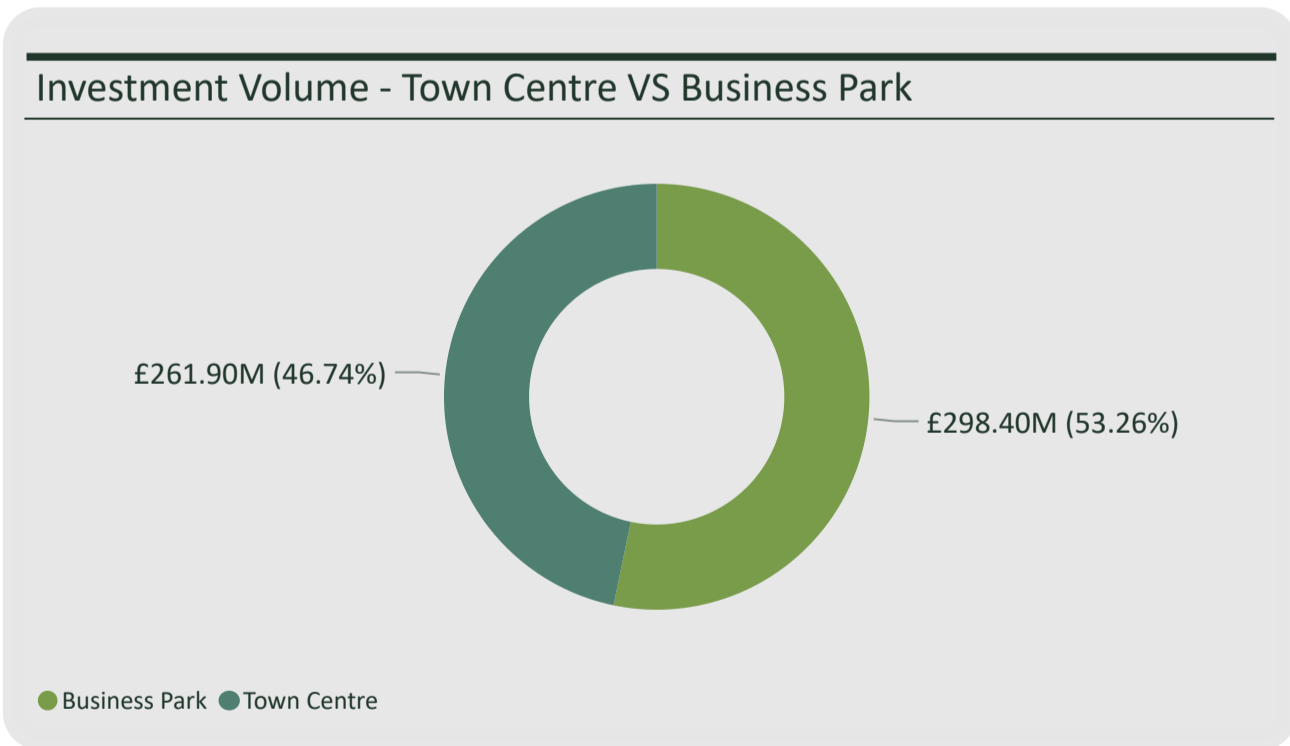
SOUTH EAST OFFICE INVESTMENT

Q4 2022 - Market Overview



The volume of transactions in 2022 totalled £3.1bn across 141 assets. This reflects a 30% fall on 2021 (£4.5bn) and a 10.5% fall on the 5-year average (£3.5bn). £609m was transacted in Q4 2022 across 32 assets, down 12% on Q3, and 58% lower than Q4 2021.

Rising inflation and growing borrowing costs have reduced investor appetite for risk. Whilst the number of transactions increased between Q3 and Q4, the average lot size fell to £18.6m. There were four transactions in excess of £50m in Q4, representing 45% of total volume. This is 48% below Q3 and 69% down on Q4 2021.

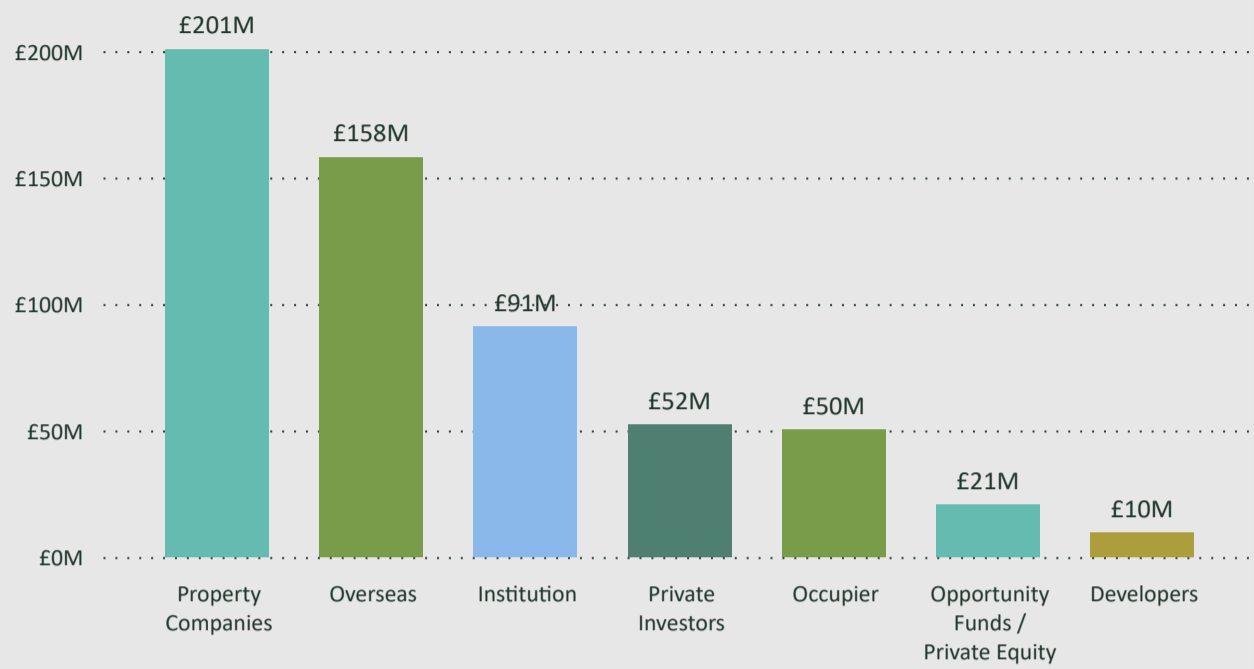


Secondary assets experienced the greatest yield shift in Q4, with the lack of accretive debt and investor caution pushing yields to heights not seen since the GFC. The most significant transactions in Q4 included UBS/REEF's acquisition of GSK's Stevenage Bio Science Quarter development (£91m), QIC's purchase of Nestle HQ, Gatwick (£57.5m) and Kadans's acquisition of the Oxford Biomedica HQ (£60m).

SOUTH EAST OFFICE INVESTMENT

Q4 2022 - Market Overview

Active Capital - Purchaser

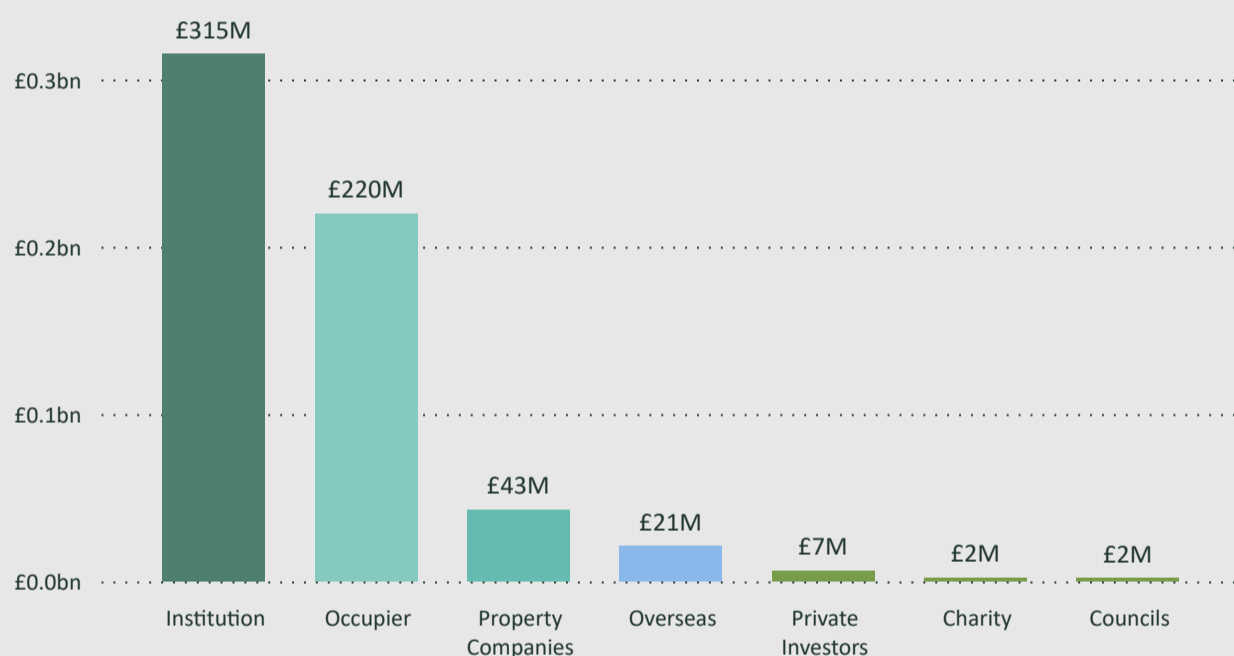


Top 10 - Purchaser Overview

PURCHASER	TRANSACTIONED VOLUME	NO. OF DEALS	AVG. YIELD (NIY)	AVG. CAP VAL EPSF
REEF/UBS	£91M	1		£63
Oval	£65M	1	7.37%	£134
Kadans	£60M	1	5.50%	£805
QIC	£58M	1	6.63%	£440
Praxis	£54M	3	9.63%	£176
Corum	£51M	2	6.50%	£597
Intersystems Corporation	£37M	1	4.90%	£776
Private Overseas	£23M	1	11.24%	£140
Forma	£21M	1	9.00%	£316
GIC/Magdalene	£19M	1	3.94%	£602
Total	£479M	13	7.35%	£384

UK institutions were the most active vendors in Q4 (51%). This was a recurring trend throughout the year with fund managers under increased pressure to improve liquidity due to redemption pressures. Well-funded property companies and private investors were the most active purchasers (41%). Sterling's sustained low levels has continued to attract dollar-denominated overseas investors, who accounted for 26% of acquisitions in Q4 (6.9% in Q4 2021).

Active Capital - Vendor



Top 10 - Vendor Overview

VENDOR	TRANSACTIONED VOLUME	NO. OF DEALS	AVG. YIELD (NIY)	AVG. CAP VAL EPSF
L&G	£95M	2	5.76%	£608
GSK	£91M	1		£63
Columbia Threadneedle	£74M	7	8.94%	£238
Vodafone	£65M	1	7.37%	£134
Oxford Biomedica	£60M	1	5.50%	£805
Aberdeen Standard Investments	£50M	3	8.11%	£313
Oval	£30M	1	6.50%	£751
Blackrock	£23M	1	11.24%	£140
AimCo	£21M	1	6.50%	£444
GIC	£19M	1	3.94%	£602
Total	£527M	19	7.68%	£362

Throughout 2022, the Life Sciences sector was a key driver of activity, accounting for 47% of the total volume. The most notable transactions of the year included LCN's acquisition of the Unilever Campus - Kingston, Longfellow's purchase of Capital Park - Cambridge and Railpen buying Botanic Place - Cambridge (advised by Gerald Eve).

Key Deals - Business Park

ADDRESS	TOWN	FLOOR AREA (SQ FT)	AWULT TO BREAKS	AWULT TO EXPIRIES	QUOTE PRICE	QUOTE YIELD	DIFF	SALE PRICE	NIY	SALE DATE	PURCHASER	VENDOR
Stevenage Bio Science Quarter	Stevenage	1,450,000			£140.00M	N/A	↓ -35.00%	£91.00M		Nov-22	REEF/UBS	GSK
Vodafone HQ Campus	Newbury	486,810			£75.00M	7.53%	↓ -13.33%	£65.00M	7.37%	Dec-22	Oval	Vodafone
The Oxford Biomedica, HQ Building	Oxford	74,576	VP	VP	£58.80M	4.25%	↑ 2.04%	£60.00M	VP	Nov-22	Kadans	Oxford Biomedica
Nestle UK HQ, One City Place	Gatwick	130,783	10.3 Years	10.3 Years	£65.00M	5.86%	↓ -11.54%	£57.50M	6.63%	Dec-22	QIC	L&G
Hinshelwood, The Oxford Science Park	Oxford	31,581	0.6 Years	0.6 Years	£20.00M	N/A	↓ -5.00%	£19.00M	3.94%	Dec-22	GIC/Magdalene	GIC

SOUTH EAST OFFICE INVESTMENT

Q4 2022 - Market Overview

Key Deals - Town Centre

ADDRESS	TOWN	FLOOR AREA (SQ FT)	AWULT TO BREAKS	AWULT TO EXPIRIES	QUOTE PRICE	QUOTE YIELD	DIFF	SALE PRICE	NIY	SALE DATE	PURCHASER	VENDOR
One Victoria Street, Windsor	Windsor	48,114	9.2 Years	14.3 Years	£36.56M	5.00%	↑ 2.16%	£37.35M	4.90 %	Nov-22	Intersystems Corporation	L&G
22-24 Worple Road	Wimbledon	39,961	5.1 Years	10.1 Years	£40.00M	4.92%	↓ -25.00%	£30.00M	6.50 %	Dec-22	Corum	Oval
CBXII Midsummer Boulevard	Milton Keynes	162,000	4.0 Years	4.5 Years	£32.00M	8.00%	↓ -28.91%	£22.75M	11.24 %	Oct-22	Private Overseas	Blackrock
Southern House, Yeoman Road	Worthing	64,354	10.0 Years	10.0 Years	£22.27M	6.75%	↓ -4.49%	£21.27M	7.07 %	Oct-22	Private	Aberdeen Standard Investments
One Valpy, 20 Valpy Street	Reading	65,433	4.2 Years	5.6 Years	£27.60M	6.75%	↓ -25.11%	£20.67M	9.00 %	Oct-22	Forma	Aberdeen Standard Investments
Epsom Gateway, 2 Ashley Avenue, Epsom	Epsom and Ewell	81,547		7.3 Years	£23.90M	7.00%	↓ -35.15%	£15.50M	9.20 %	Dec-22	Praxis	Columbia Threadneedle
Queen Square House	Brighton and Hove	41,222	3.7 Years	8.0 Years	£17.30M	6.75%	↓ -19.08%	£14.00M	8.45 %	Dec-22	Cervidae	Columbia Threadneedle
Cedar House, 78 Portsmouth Road	Cobham	31,965	8.0 Years		N/A	N/A		£12.95M	6.52 %	Dec-22	Tenant (Hexagon Corporate Service)	Legal and General
Greenwood	Bracknell	65,625	2.8 Years	5.3 Years	£14.95M	8.00%	↓ -15.72%	£12.60M	10.06 %	Nov-22	Praxis	Savills IM

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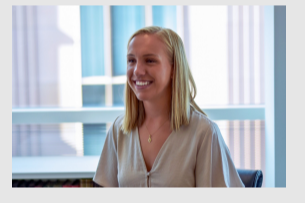
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