

Date: 10 December 2024

Item: Platinum Portfolio – Additional Commercial Opportunities

This paper will be considered in public

1 Summary

- 1.1 This paper seeks approval for Places for London's additional investment in the Platinum joint venture to assess the feasibility of new office property development opportunities.

2 Recommendation

- 2.1 **The Committee is asked to note the paper and approve additional Land Authority of £500,000 to enable the feasibility assessment of new commercial sites for development for long-term income generation from the Platinum joint venture, as described in this paper, giving a total Land Authority of £1,606.5m for that joint venture.**

3 Background to the Platinum Joint Venture

- 3.1 On 9 March 2023, via Chair's Action, the Committee approved unbudgeted Financial Authority and Land Authority to enable TTL Properties Limited (now Places for London Limited) to invest in a joint venture to create a growing long-term income stream from a portfolio of high-quality, commercial assets with best-in-class environmental and wellbeing credentials located near central London transport interchanges.
- 3.2 The joint venture, known as the Platinum joint venture, was formed with Helical plc (Helical) in July 2023. Places for London holds a 49 per cent equity stake in the joint venture. Helical holds the remaining 51 per cent.
- 3.3 Helical was selected as Places for London's commercial office development joint venture partner following a competitive procurement process. Helical is a Real Estate Investment Trust listed on the London Stock Exchange with a strong record of office and residential development in central London.
- 3.4 The Platinum joint venture is a core element of Places for London's Investment Strategy. As well as long-term income and financial returns that can be reinvested across the portfolio, the joint venture will provide investment diversification and enhance Places for London's environmental sustainability performance and credentials. Its initial three development sites are Bank Over Station Development (OSD), Paddington OSD and Southwark OSD. It was established on the premise that it may acquire and develop additional development sites.

- 3.5 The Bank OSD property is now known as 10 King William Street (10KWS). In October 2024, the joint venture acquired from Places for London the long leasehold interest in 10KWS. The Committee recently approved, via Chair's Action, additional Land Authority to enable Place for London to enter into guarantees associated with the joint venture debt finance, as referenced in the Use of Delegated Authority paper elsewhere on the agenda. Works to enable the construction of the building have now commenced.
- 3.6 The joint venture is also progressing with the design of Southwark OSD and Paddington OSD buildings and has committed to acquire the long leasehold land interests in both sites in 2025 and 2026 respectively.

4 Additional Commercial Opportunities

- 4.1 To continue to deliver commercial and social benefits, the joint venture is looking for additional commercial-led sites. Prior to committing to acquire and develop a site, the joint venture needs to invest in design and other advice and consult the local planning authority to establish how to approach the development. To make this investment the joint venture needs capital from Places for London and Helical.
- 4.2 A potential commercial development and investment opportunity for the joint venture has been identified at Charterhouse Street. The Charterhouse Street site is located south of Farringdon station. The site comprises a small vacant office building and underutilised operational land located to the north and east of the building. The site is within TfL group's ownership.
- 4.3 The joint venture is interested in the development prospects for the site. The joint venture has proposed to assess the feasibility of the development opportunity on the site in the first quarter of next year.
- 4.4 All new office buildings developed by the joint venture may be considered by TfL for its future head office accommodation before construction commences and before other potential tenants.
- 4.5 The anticipated cost of assessing the feasibility of the Charterhouse Street development opportunity, including a contingency, is £450,000. Places for London's share of this cost would be £225,000, which is included in both the Places for London Budget and its Business Plan.
- 4.6 Places for London is therefore seeking additional Land Authority of £500,000 for investment as equity into the joint venture to fund feasibility studies to assess additional commercial development opportunities for the joint venture. Up to £225,000 of this requested Land Authority will be used at an initial stage to fund the Charterhouse Street feasibility work to be completed by mid-2025. The balance could be committed by the Director and Chief Executive of Places for London to fund additional feasibility studies for an additional site or sites by the joint venture, with Helical funding its share.
- 4.7 With its joint venture development activity increasingly established, Places for London is in a position to bring to the next Committee meeting a paper that sets out the future programme of activity and the associated approvals, such that an individual approval as is required here will no longer be required.

List of appendices to this report:

None.

List of Background Papers:

Commercial Office Investment Portfolio Joint Venture Chair's Action paper, issued 9 March 2023

10 King William Street – Joint Venture Debt Finance Facility – Land and Property Committee Chair's Action paper, issued 8 November 2024

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