



Announcement

In September 2013, Peterson Group has completed a co-investment lead by Queensgate Investments: the circa £260m acquisition of high-end London serviced office business Executive Offices Group from Morgan Stanley Real Estate Fund V.

<http://www.executiveoffices.co.uk/>

11 September 2013

About Executive Office Group

Executive Offices Group controls 28 five and four-star serviced offices, totalling approximately 513,700 sq ft, located in Mayfair, Belgravia and the City of London.

Key assets include 33 St James's Square, SW1, 78-79 Pall Mall, SW1, 53 Davies Street, W1 (pictured), 84 Brook Street, W1, 2 Eaton Gate, SW1, Hudson House, WC2, Central Court, WC2 and 1 Cornhill, EC3.

The group's revenues have grown by 10% pa since 2010 and stand at around £45m.

The portfolio's current occupancy is around 88% and the average length of stay is more than 32 months, both well above the London serviced office average. The group has around 3,000 customers and more than 160 employees.

Morgan Stanley Real Estate Fund V bought EOG in 2005 for £220m from founders Peter Kershaw and Peter Allport.

EOG is unusual in the serviced office world in that the business has principally sought to acquire freeholds for the buildings its operates from as opposed to the more common leasehold model.

That in turn enabled the duo to create a business model that because it is backed by underlying prime real estate has encouraged an unusual level of institutional interest in a serviced office business.

Funds advised by Cheyne Capital and DRC Capital respectively provided the aggregate financing of around £170m for the acquisition of the group.

Queensgate Investments Fund I was advised by Brown Rudnick, SJ Berwin, KPMG and Ereira Mendoza.



PETERSON GROUP
培新集團



33 St James's Sq - SW1Y



78 Pall Mall - SW1Y



53 Davies Street - W1K



2 Eaton Gate - SW1W



16 Old Queen St - SW1H



84 Brook Street - W1K



Central Court, 25 Southampton Bldgs - WC2A



Hudson House, 8 Tavistock Street - WC2E



1 Cornhill - EC3V



288 Bishopsgate - EC2M

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