

CASE STUDY - 2005

AXA UK



5 Old Broad Street - Acquired



Spectacular lift lobby

MEET THE TEAM

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With 15 years experience advising occupiers at the highest level.

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Situation

AXA UK was looking to relocate the Head office in the City of London from their historic home on Cheapside which was subject to redevelopment.

They wished to avoid unknown property cost risks and take advantage of good quality office stock being available before expected rental price rises due to shortened stock.

There was an opportunity to reduce the overall operating cost of office premises as part of this move.

Consideration

Spring4 advised an exit strategy which was designed to minimise cost exposure. Extensive search and narrowing of options led to negotiated best terms on two shorted listed options.

After receiving proposals from numerous landlords Spring4 negotiated and had release a final form acquisition contract which was held while the disposal was entered in to.

Result

Spring4 delivered an acquisition transaction designed to provide a known cost of relocation to superior offices at a reduced operating cost. A cap and collar at the 5th year rent review provided this additional comfort on property cost exposure.

Additionally AXA achieved flexibility with call options on expansion space as well as a tenant option to break the new fifteen year lease at the ten year.

A substantial incentive package of over £4 million was secured as part of the transaction, which was paid to AXA who employed it throughout their fitting out.