

“The City is back”: demand for high quality London office space intensifies as M&G’s 40 Leadenhall reaches significant pre-let milestone

- *900,000 sq ft development is 70% let ahead of 2024 completion*
- *Deal signals growing commitment to investing in the future of London’s Grade A office market*

London: 3 September 2023 – As a strong sign that the revival of the central London office market is well underway, M&G Real Estate has agreed a third major letting at its pioneering 40 Leadenhall office development in the Square Mile, following circa 300,000 sq ft of pre-lets to international business last year. Designed to be green in use, not just in design, it will be among the UK’s first buildings to achieve the NABERS certification – an energy efficient standard that measures how a building is designed to operate, but also how it performs in use. It will also be the largest office development to complete in the City of London (the City) next year.

M&G acquired the scheme in 2019 on behalf of around 5 million policyholders in the £129 billion Prudential With Profits Fund and this latest letting takes the scheme to 70% pre-let just under a year before its completion next year. Acrisure, a global fintech leader that operates a top-10 global insurance broker, will take 50,827 sq ft on a 20-year term.

The announcement follows recent reports from leading agents indicating that tenant demand for quality (Grade A) office space continues to be buoyant, currently accounting for 95% of leasing in the City of London office market. In Q2 2023, some 70% of office space in central London was for pre-let, newly-built or refurbished properties, up from 66% for the same period in 2022² and up 9% in the City³.

Tony Brown, Global Head of Real Estate at M&G Real Estate, says: “40 Leadenhall is a key part of London’s rebirth as a global centre for high quality workspaces and signs that the market is gathering momentum are very promising. A letting of Acrisure’s calibre in the heart of the Square Mile evidences the trend of high performing businesses bringing employees back to the office environment to collaborate. 1.2 million sq ft of workspace was let during Q2 this year – a significant sign that the City, in particular, is back.”

Jason Howard, President of Acrisure International and Chairman of Acrisure Re, says: “We are delighted to be moving our London teams into this prestigious building. Acrisure is well-known for its collaborative culture and having us all under one roof will optimise this even further. The building’s open and innovative vibe also aligns perfectly with our wellbeing and growth strategies. Thank you to everyone involved in making this move happen. We are looking forward to June 2024.”

40 Leadenhall is targeting the BREEAM Excellent standard, the WELL Platinum rating and is aspiring to the Platinum Wired and SMART building certifications. Integrated building technology will help M&G and its occupiers to achieve their ESG targets and journey to Net Zero by identifying opportunities to reduce energy consumption and promote a climate accountable workplace.

As well as exceeding the Government's performance benchmarks for Net Zero, carbon emissions will be 40% lower than the Building Regulations' baseline. The building's passive design will enable an optimal balance between natural daylight and reduced solar gains and waste heat from the cooling system will supply heating and hot water demand via water-source heat pumps.

Acrisure will occupy the 9th floor, part of the 8th floor and 1,380 sq ft of terrace space along with access to 40 Leadenhall's extensive amenity spaces. The building's 'vertical village' will include a fitness studio, a 22,500 sq ft treatment and changing area, a wellness suite, library and a 30-seat cinema room. Employees will also benefit from the building being fully SMART enabled, allowing them to use touchless technology to book spaces at the 200-seat auditorium, two restaurants, 17 outdoor green spaces and terraces and the communal 11th floor rooftop clubhouse and providing multiple opportunities to work and relax.

M&G Real Estate is part of M&G plc's £76.7 billion Private Markets division.

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Notes to Editors

¹Savills 'City Office Market Watch' July 2023

²JLL 'Central London Office Market Report' Q2 2023

³Cushman & Wakefield 'Central London Report: Marketbeat' Q2 2023

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 £344 billion of assets under management (as of 31 March 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.

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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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Acrisure is An Extraordinary Advantage SM for millions of clients worldwide. The Company combines human and high tech to deliver a broad array of products including Insurance, Reinsurance, Cyber Services, and more. In the last nine years, Acrisure has grown in revenue from \$38 million to nearly \$4 billion and today employs over 14,000 colleagues in 21 countries. Acrisure expects to announce new developments in the near term. To follow news and updates in real time, visit [Acrisure.com](https://www.acrisure.com) or follow the Company on LinkedIn.

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