

# The Daily Telegraph

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## **One Plantation Place may be sold to repay bondholders**

By Graham Ruddick

ONE of the City of London's biggest office buildings has been earmarked for a £450m sale in order to repay bondholders.

One Plantation Place has been breaching covenants since 2008 and the owners have failed to reach an agreement over the refinancing of £435m of CMBS notes and a £25m junior loan.

The 550,000 sq ft property, the headquarters of RSA, was opened in 2004 by British Land before being sold to the One Plantation Place Property Unit Trust for £527m in 2006.

The trust's investors include Invista Real Estate Investment Management, Tishman International and Stobart Group.

The owners have proposed an "orderly and consensual" sale of the building that will lead to an early repayment of the remaining debt, or the sale of a stake in the Unit Trust that would reduce the loan to value ratio from 95pc to 70pc.

Overall, £448.6m of debt is outstanding on the property and talks over a refinancing have been hindered because the break costs on hedging arrangements are an additional £42.3m.

In a statement, Brookland Partners, which is advising the Unit Trust, said it had received "indicative support" from 50pc of holders of the Class A notes, and more than 70pc from the Class B, C, D and E holders.

Nassar Hussain, managing partner, said: "The transaction has been in deadlock for some time.

"Whilst there have been attempts to resolve the status quo, they have typically been unsuccessful due to the conflicting interests and rights of the various parties involved, the decline in value of the property and the significant swap breakage costs. This proposal attempts to address these issues."

To proceed with a sale, the owners have requested a waiver of the loan-to-value covenant until October 25 2012. This would prevent the debt being called in by the bondholders. £527m The amount that One Plantation Place Property Unit Trust paid for the building in 2006