

## PRESS RELEASE

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# AEW Europe acquires c. 2,000 sqm central London office repositioning opportunity

AEW, one of the world's largest real estate investment and asset managers<sup>1</sup>, announces that it has completed the acquisition of an office repositioning opportunity at 95 New Cavendish Street in the Fitzrovia district (West End of London).



The asset currently comprises 1,921 sqm of office space arranged over lower ground, ground and four upper floors. The building, which was last refurbished in 1990, has planning consent for a comprehensive repositioning programme, including the creation of an additional floor with 178 sqm of new office space and a communal roof terrace.

Occupying a prominent island site with natural light on almost every side, the building will also benefit from the installation of larger windows and a new façade. Sustainability features will include a new LED lighting system, smart meters to monitor energy consumption, greenery on the roof terrace to introduce biodiversity, and dedicated entrances for cyclists - including cycle racks, showers and changing rooms. Designed to a high specification, the project will target net zero carbon, both embodied and operational, and BREEAM 'Excellent' and WELL Platinum certifications.

The asset is currently fully let to a property consultancy business on a short-term basis, with works expected to begin early 2025 once the occupier has vacated.

95 New Cavendish Street is strategically located in the centre of the affluent Fitzrovia district, where there is a severe shortage of well-located, high quality office space and a vacancy rate of c. 1.3%<sup>2</sup>. The building is surrounded by Marylebone, Mayfair and Soho to the south and west, and Covent Garden, Bloomsbury and Euston to the north and east, providing short connections to major transport hubs. The area is characterised by many of the city's major tourist attractions, as well as popular retail, restaurant, and leisure venues. Situated within a c. 10-minute walk to seven underground stations, the building also provides seamless connectivity across London and to other locations including via the Elizabeth Line at Tottenham Court Road.

**Spencer Corkin, Head of Value-Add Strategies at AEW**, said: *"The acquisition of 95 New Cavendish Street provides a compelling opportunity to invest in the London market with a notable redevelopment in a strong micro-location. Fitzrovia is currently experiencing a shortage of well-located, state-of-the-art office space with limited new development, which has led to a large supply-demand imbalance and continued upward pressure on prime rents. According to AEW Europe's research, prime offices may generate the highest returns across all real estate sectors over the next five years, likely driven by recent re-pricing and increasing occupier demand for high-quality space. This vibrant area of London*

<sup>1</sup> Source: Institutional Real Estate Inc, Global Investment Managers 2023 Special Report.

<sup>2</sup> Source: Knight Frank, as at Q2 2024.

*continues to attract a broad range of occupiers, and we believe the transformation of this asset into a modern, sustainable building, will offer attractive space to prospective occupiers."*

**Lars-Henning Pylla, Fund Manager at AEW**, added: *"In the value-add sector it is particularly important to be able to act quickly when opportunities arise. We are convinced of the London market's potential over the next few years and are now focusing on further expansion in different sectors across Europe's prime locations."*

AEW was advised by Knight Frank and Mishcon de Reya.

Photo credit: ©Stiff & Trevillion.

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## ABOUT AEW

AEW is one of the world's largest real estate asset managers, with €78.7bn of assets under management as at 30 June 2024<sup>3</sup>. AEW has over 860 employees, with its main offices located in Boston, London, Paris and Singapore and offers a wide range of real estate investment products including comingled funds, separate accounts and securities mandates across the full spectrum of investment strategies. AEW represents the real estate asset management platform of Natixis Investment Managers, one of the largest asset managers in the world.

As at 30 June 2024, AEW managed €37.1bn of real estate assets in Europe on behalf of a number of funds and separate accounts. AEW has over 515 employees based in 11 offices across Europe and has a long track record of successfully implementing Core, Value-Add and Opportunistic investment strategies on behalf of its clients. In the last five years, AEW has invested and divested a total volume of almost €18.5bn of real estate across European markets.

[www.aew.com](http://www.aew.com)

## ABOUT NATIXIS INVESTMENT MANAGERS

Natixis Investment Managers' multi-affiliate approach connects clients to the independent thinking and focused expertise of more than 15 active managers. Ranked among the world's largest asset managers<sup>1</sup> with more than \$1.4 trillion assets under management<sup>2</sup> (€1.2 trillion), Natixis Investment Managers delivers a diverse range of solutions across asset classes, styles, and vehicles, including innovative environmental, social, and governance (ESG) strategies and products dedicated to advancing sustainable finance. The firm partners with clients in order to understand their unique needs and provide insights and investment solutions tailored to their long-term goals.

Headquartered in Paris and Boston, Natixis Investment Managers is part of the Global Financial Services division of Groupe BPCE, the second-largest banking group in France through the Banque Populaire and Caisse d'Épargne retail networks. Natixis Investment Managers' affiliated investment management firms include AEW; DNCA Investments<sup>3</sup>; Dorval Asset Management; Flexstone Partners; Gateway Investment Advisers; Harris | Oakmark; Investors Mutual Limited; Loomis, Sayles & Company; Mirova; MV Credit; Naxicap Partners; Ossiam; Ostrum Asset Management; Seventure Partners; Thematics Asset Management; Vauban Infrastructure Partners; Vaughan Nelson Investment Management; and WCM Investment Management. Additionally, investment solutions are offered through Natixis Investment Managers Solutions and Natixis Advisors, LLC. Not all offerings are available in all jurisdictions. For additional information, please visit Natixis Investment Managers' website at [im.natixis.com](http://im.natixis.com) | LinkedIn: [linkedin.com/company/natixis-investment-managers](https://www.linkedin.com/company/natixis-investment-managers).

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<sup>1</sup> Survey respondents ranked by Investment & Pensions Europe/Top 500 Asset Managers 2024 ranked Natixis Investment Managers as the 19th largest asset manager in the world based on assets under management as of December 31, 2023.

<sup>2</sup> Assets under management (AUM) of current affiliated entities measured as of September 30, 2024, are \$1,427.2 billion (€1,279.0 billion). AUM, as reported, may include notional assets, assets serviced, gross assets, assets of minority-owned affiliated entities and other types of nonregulatory AUM managed or serviced by firms affiliated with Natixis Investment Managers.

<sup>3</sup> A brand of DNCA Finance.

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<sup>3</sup> As of June 30, 2024. AEW includes (i) AEW Capital Management, L.P. and its subsidiaries and (ii) affiliated company AEW Europe SA and its subsidiaries. AEW Europe SA and AEW Capital Management, L.P. are commonly owned by Natixis Investment Managers and operate independently from each other. Total AEW AUM of €78.7 billion includes €36.3 billion in assets managed by AEW Europe SA and its affiliates, €4.5 billion in regulatory assets under management of AEW Capital Management, L.P., and €37.9 billion in assets for which AEW Capital Management, L.P. and its affiliates provide (i) investment management services to a fund or other vehicle that is not primarily investing in securities (e.g., real estate), (ii) non-discretionary investment advisory services (e.g., model portfolios) or (iii) fund management services that do not include providing investment advice. One of the Largest Real Estate Investment Managers is sourced by Institutional Real Estate Inc., Global Investment Managers 2023 Special Report.