



Press Release

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Invesco Real Estate Europe Fund III and Simten launch new platform 'Original Works' and exchange contracts for first London office development project

LONDON, January, 14th, 2025 – Invesco Real Estate, the USD 85bn global real estate investment business of Invesco Ltd. (NYSE: IVZ), and Simten, the London based developer of healthy and sustainable buildings, today announce that they are creating a new platform to combine their expertise in both real estate investment management and development.

The new platform, to be known as Original Works, will focus on London offices and implement innovative technologies and design to meet occupier and investor demand, with the aim of producing enhanced returns. The platform will have a specific focus on the reduction of embodied and operational carbon drawing upon decades of relevant expertise. In conjunction with launching the new platform, the group have exchanged contracts for the purchase of their first development project at 10 Salisbury Square, from DWS.

Powered by the expertise of the partners, Original Works aims to navigate a fragmented property market and bring about sustainable transformation in London office workspaces. Designing and delivering sustainable and functional office spaces that meet the needs of occupiers and investors is key to the partnership strategy. The platform combines capital with authentic expertise to unlock directly held developments and to provide a solution to property owners with assets that may be stranding and in need of repositioning.

Capital for the platform will be provided through Invesco Real Estate Europe Fund III, the third closed-end fund in a series of dedicated pan-European higher returning investments.

Mike Rayner, Partner at Simten, said: "This is a great moment to be executing on our first acquisition, having identified opportunity in the market to create spaces that deliver positive transformation through real commitment and expertise. We look forward to more acquisitions in 2025 and to driving excellent returns through progressive development with our partner, Invesco Real Estate."

Richard Chambers, Managing Director, Fund Management at Invesco Real Estate, said: "We are delighted to announce the formation of Original Works and our first development project for the platform. Our brown-to-green office strategy through Original Works recognises a generational opportunity in the London market that requires both capital and seasoned expertise. Working in true partnership with a proven management team like Simten is in line with our value-added strategy for partnering with experts to deliver the best returns for our investors and we look forward to adding to the portfolio in the year ahead."

Original Works was represented in the transaction by Ingleby Trice.

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About Invesco Ltd.

Invesco Ltd. (Ticker NYSE: IVZ) is a global independent investment management firm dedicated to delivering an investment experience that helps people get more out of life. With offices in more than 20 countries, our distinctive investment teams deliver a comprehensive range of active, passive and alternative investment capabilities. Invesco managed EUR 1.6tn in assets on behalf of clients worldwide as of 30 November 2024. For more information, visit www.invesco.com/corporate.

About Invesco Private Markets

Invesco has global expertise and strong capabilities in private markets. With a global platform of EUR 124bn of assets under management in real estate and private credit, we offer both scale and depth of expertise with over 600 investment professionals across 16 countries and over 40 years of innovative experience to our investors as of 30 November 2024.

About Invesco Real Estate

Invesco Real Estate is a global leader in the real estate investment management business with EUR 79.3bn in real estate assets under management, 613 employees and 21 regional offices across the U.S., Europe and Asia. Invesco Real Estate has a 40-year investment history and has been actively investing across the risk-return spectrum, from core to opportunistic, in equity and debt real estate strategies, and in direct and listed real estate for its c. 400 institutional client relationships during this time. In Europe, Invesco Real Estate has eight offices in London, Munich, Milan, Madrid, Paris, Prague, Luxembourg and Warsaw, and 191 employees. It manages 205 assets across 14 European countries and with assets under management of EUR 15.3bn. The team has a strong track record across all the commercial sectors, hotels and residential sectors as of 30 June 2024.

About Simten

Simten is a London based developer of progressive buildings - healthy, low carbon and focussed on the needs of their users. We currently have circa £2bn GDV of development in planning or on site, creating or upgrading circa 1m sq ft of high-quality mixed-use space. Our approach is built on our long-term thinking and in our mission to deliver sustainable development we are producing some of the lowest carbon developments in London. For further information: <https://www.simten.co.uk/>

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Risk warnings

For complete information on risks, refer to the legal documents. The value of investments and any income will fluctuate (this may partly be the result of exchange rate fluctuations) and investors may not get back the full amount invested.

Real estate investments can be illiquid and difficult to sell, and the fund may not be able to sell its assets when desired and at the intended price. This may negatively influence the liquidity of open-ended funds and may lead to long delays before the fund can meet redemption requests. The value of the investments is generally determined by an independent valuer's opinion and may not be realizable. The value of real estate loans may be significantly influenced by the value of the underlying real estate. Real estate investments are generally not listed on any market and need to be valued via the application of appropriate models (potentially applied by independent experts): this may lead to valuations which may not be reflected in transaction prices. Changes in market rents, net operating incomes, interest rates, FX rates, market trends and general economic conditions may result in fluctuations of the value of the assets, of the relevant portfolio and of the level of cash-flows generated by the fund's portfolio; fixed-rate loans with long maturities are more exposed to values fluctuations in reaction to interest rates' movements. The fund may use derivatives and borrowings, which may result in the fund being significantly leveraged and may result in large fluctuations in the value of the invested capital. Real estate investments and portfolios are exposed to counterparty risk, which is the risk that a counterpart is unable to deal with its obligations.

Real estate debt portfolios are exposed to credit risk which is the risk of inability of the borrower to repay the interest and capital on the scheduled dates and at maturity. Loans or loans' tranches with lower seniority (mezzanine, junior) bear a higher credit risk as those loans sit behind more senior ones in the repayment queue; the risk may be exacerbated in times of stress and in case of underperforming loans. Loans with high loan to value ratios (LTVs) or those secured on development assets are generally viewed as more risky than those with low LTVs or those secured on income-generating assets. Commercial mortgage lending is generally viewed as greater risk than residential mortgage lending since the repayment typically depends upon the successful operation of the underlying properties. Real estate investments can be exposed to sustainability-related regulatory requirements and trends that may negatively affect the value of investments which are not compliant. This may lead to a requirement for significant capital expenditure in order to meet mandated standards or characteristics. In addition, real estate investments can be also significantly exposed to negative economic effects stemming from climate change, natural disasters and the general investors' preference for assets with better sustainability features.

Real estate investments are labour-intensive and require a significant amount of human/manual input and activities, and may therefore be exposed to several types of operational risk that may affect activities such as administration, operations, reporting obligations and many others.

On top of typical real estate related risks, investments in real estate operating companies and in real estate platforms may embed governance and business risks that, if materialized, may negatively affect the value of the investments and the cash-flows generated.

Important information

This marketing communication is for trade press only. This document is by way of information only. Views and opinions are based on current market conditions and are subject to change. By accepting this document, you consent to communicate with us in English, unless you inform us otherwise. Data as of 13th January 2025 unless otherwise stated.

This is marketing material and not financial advice. It is not intended as a recommendation to buy or sell any particular asset class, security or strategy. Regulatory requirements that require impartiality of investment/investment strategy recommendations are therefore not applicable nor are any prohibitions to trade before publication.

For more information on our funds and the relevant risks, please refer to the Offering Memorandum, the Annual or Interim Reports, and constituent documents (all available in English). These documents are available from your local Invesco office. The management company may terminate marketing arrangements. Marketing of the fund in the EEA is permitted to Professional Clients only. The fund is a dedicated Luxembourg closed-ended unregulated fund. It qualifies as an alternative investment fund (AIF) managed by Invesco Real Estate Management S.à r.l. as external alternative investment fund manager (AIFM).

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