Technology
City of London

Vodafone Sells British HQ And Rents Part Instead Amid Downsizing

- Company will rent back four of the seven buildings on site
- Buyers plan modernization for Vodafone's vacated areas

Vodafone headquarters in Newbury, UK. *Source: View Pictures/Universal Images Group/Getty Images*

By Jack Sidders and Thomas Seal
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Vodafone Group Plc sold the headquarters it's held for decades in Newbury, England, and will rent just over half of the site's premises back as it downsizes and cuts costs.

Iqon Capital agreed to buy the total of seven buildings known as "The Connection" on behalf of Aljazira Capital for an undisclosed figure, it said in a statement on Tuesday.

Vodafone will vacate three of the buildings, which Iqon said would be modernized as a business campus. The site consists of about 486,810 square feet (45,226 square meters) of office space set in 38 acres (15 hectares) of grounds.

The sale comes amid major upheaval for Vodafone, which has had operations in Newbury – about 60 miles (97 kilometers) west of London – since its inception in the mid-1980s. Its share price is hovering around 25-year lows, and the board abruptly ousted Chief Executive Officer Nick Read in December. Job cuts are planned as the company tries to improve operations and strike deals to consolidate in key markets, including Britain.

Vodafone's footprint is shrinking as the company embeds a blend of home, site and field working for its 10,000 UK employees, with the campus acting as a hub for face-to-face meetings. Newbury is home to the company's UK unit as well as research and development teams.

Read more: Vodafone CEO Nick Read Ousted After 44% Collapse in Shares

Saudi Arabia's Aljazira and Iqon, a London based private equity real estate firm founded by Giovanni Gregoratti and Carlo Ratti, have appointed Oval Real Estate to lead the development and asset management of the properties.

The sale was brokered by Colliers International Group Inc., which was appointed to sell the properties last year seeking bids of about £70 million, CoStar News reported at the time.