

# Google to develop new headquarters at London's Kings Cross

([Reuters](#) [1]) - Google Inc. is developing a new UK headquarters which could be worth as much as 1 billion pounds (\$1.6 billion) when finished, the latest overseas property deal for the cash-rich U.S. Internet group.

Google has purchased a 2.4 acre plot at the Kings Cross Central development, one of London's biggest regeneration schemes, where it will build a 1 million square foot office, the property developers behind the project said on Thursday without disclosing the purchase price.

A separate source with knowledge of the deal said Google was investing 650 million pounds to buy and develop the site. The office building will be worth up to 1 billion pounds when it is finished in 2016, a second source said.

"This is a big investment by Google, we're committing further to the UK - where computing and the web were invented. It's good news for Google, for London and for the UK," Google's Vice President for Northern and Central Europe, Matt Brittin, said in a statement.

Google will move from its current offices in the UK capital's Victoria and Holborn districts in 2016 when the building completes. Construction on the site will start in late 2013 and the building will range in height from 7 to 11 storeys.

Kings Cross Central, which sits on a former fish, coal and grain goods yard to the north of the city, spans 67 acres and will contain homes, offices and shops. It is being built by the Kings Cross Central Limited Partnership which includes developer Argent Group.

Google's new neighbors when it moves will include the real estate arm of French bank BNP Paribas, as well as a cultural and education centre managed by the Aga Khan, spiritual leader of Ismaili Muslims.

Google has traditionally leased its overseas offices but in the past two years has purchased premises in Paris, Dublin, and now London, its filings show.

As of December 31, 2011, Google has \$44.6 billion of cash, with \$21.2 billion of that held offshore, according to its 2011 annual report. If the funds held offshore were repatriated, they would be subject to U.S. taxes, Google said.

Tax campaigner and accountant Richard Murphy said the decision to buy property rather than rent was likely "tax motivated" and driven by the fact the company cannot repatriate the cash to the U.S. without paying a fat tax bill.

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"If you're not going to send it back to the parent company to repurchase its shares, which is the normal route for a U.S. corporation sitting on a pile of cash, what else are you going to do with it?" he said

Google declined to comment on the tax issue.

Office landlords see Google as a prized tenant as its presence is expected to draw other technology companies - especially small start-ups - and help to bump up rents. (\$1 = 0.6252 British pounds)

(Reporting by Brenda Goh and Tom Bill, additional reporting by Tom Bergin, editing by Paul Sandle and Sophie Walker)

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