



McKAY SECURITIES PLC (“McKay”)
DISPOSAL OF PINEHURST PARK, FARNBOROUGH

McKay Securities PLC, the Real Estate Investment Trust (REIT) specialising entirely in the South East and London Office and industrial markets, is pleased to announce it has exchanged contracts for the unconditional disposal of the freehold of its remaining interest at Pinehurst Park, in central Farnborough to Pinehurst Investments Ltd (a subsidiary of Shaviram Developments Ltd), for £5.88 million. The purchaser has paid a £1.00 million non-returnable deposit, and McKay will retain income through to completion on 28th November 2017.

The sale will generate a net surplus of 11.5% over book value (30th September 2016).

McKay purchased Pinehurst Park in May 2012 for £3.50 million. In April 2013, it disposed of the former Convent building fronting the site for £1.24 million having obtained planning consent for conversion from office to residential use. This disposal of the balance of the site consists of a 50,200 sq ft office building constructed in 1991, let to IBM until 28th February 2018 at a rent of £0.75 million pa. On completion of this sale, McKay’s net disposal proceeds will total £6.36 million, representing a 71.9% return on cost. In addition, McKay will have received rental income totalling £3.34 million since acquisition.

The purchaser proposes a residential development.

Simon Perkins, CEO of McKay commented:

“When we purchased the property from the Receivers in 2012, we identified the potential to add value by pursuing a change of use to residential, whilst benefitting from a high income yield.

This has proven to be a highly successful strategy, and disposal proceeds have exceeded our expectations. This sale will deliver a significant surplus to book value, and enable retention of income through to completion.

On completion, total sale proceeds will be nearly double the price we paid for the property, which in any event is virtually covered by the rental income we have received.

Sale proceeds will be reinvested into future acquisitions and other refurbishment and development projects which continue to add value and improve our portfolio.”

- ends -

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