



McKAY SECURITIES PLC ("McKay")

MCKAY SECURES FURTHER LETTING AT SWITCHBACK OFFICE PARK, MAIDENHEAD

McKay Securities PLC, the only Real Estate Investment Trust specialising entirely in the South East and London office and industrial markets, is pleased to announce that it has let the first floor of Building 5 (4,231 sq ft) on the Switchback Office Park, Maidenhead.

McKay has let the unit to Colemans Solicitors LLP, a well established local firm, on a 10-year lease, with a tenant break at the end of the fifth year, at a rent of £113,179 pa. This equates to £26.75 psf, ahead of estimated rental value as at 31st March 2016 (ERV) of £26.00 psf. Colemans pre-let the building, and the lease has now commenced following completion of the refurbishment works.

Switchback Office Park is located on the northern side of Maidenhead town centre and consists of six units totalling 37,450 sq ft. McKay has carried out a rolling refurbishment programme since it bought the property in 2008, to provide high specification offices around an attractive landscaped courtyard, with excellent parking in close proximity to the town centre. This is the last building to be refurbished at the Park and the ground floor (4,133 sq ft) is the only remaining space to let.

The comprehensive refurbishment of Building 5 commenced in January 2016 following vacation of the previous occupier who remained at the Park with a pre-let of Building 6 (4,519 sq ft) on a 15-year lease (no breaks) at a rent of £26.18 psf. Letting voids have been minimised with both refurbishments and this letting proves continued rental growth on the Park.

The rent of £26.75 psf also highlights the continued recovery in rental values at the Park, being 16% ahead of ERV assumed at purchase, more than double the ERV five years ago and 53% ahead of ERV prior to refurbishment.

Simon Perkins, Chief Executive of McKay, commented:

“Colemans is a welcome addition to the well established occupiers at Switchback. Our letting progress mirrors the recovery in the western corridor, with the rent achieved more than double the rental value of the building five years ago.

The refurbishment of Building 5 completes the rolling improvement programme at the Park. This has proved popular, attracting new occupiers and retaining existing occupiers, leaving only 4,133 sq ft vacant. We have also succeeded in achieving rents ahead of ERV.

We have a number of similar refurbishment schemes and larger development projects that contribute to our substantial £10.34 million pa portfolio reversion. On completion, these properties will contribute excellent quality business space to a market where constrained supply has continued to support rental values post BREXIT.”

Lambert Smith Hampton and Duncan Bailey Kennedy acted for McKay.

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