



PRESS RELEASE

Acquisition of Station Plaza, Theale

McKay Securities PLC, the only Real Estate Investment Trust focussed entirely on the office and industrial markets of London and the South East, is pleased to announce the freehold acquisition of Station Plaza, Theale from M&G Real Estate for £8.46 million, representing an initial yield of 10.1%.

Station Plaza consists of three high quality office buildings totalling 41,646 sq ft, constructed in 1999/2000, with 170 car parking spaces providing a generous ratio of 1:245 sq ft. It is located at Junction 12 of the M4 motorway, on the southern side of Reading. Theale railway station is adjacent to the property, providing a regular service to Reading, London Paddington and mainline stations to the west.

The buildings are let to Nocitra Ltd (formerly Integralis) on three separate leases expiring on 7th July 2019. The total rent payable of £0.90 million per annum equates to £21.71 psf. The tenant is in occupation of Theale House (19,587 sq ft) and half of Building A (9,991 sq ft) with the balance sublet. Building B (12,068 sq ft) is unoccupied and surplus to their requirements.

Simon Perkins, Managing Director of McKay comments:

***“Theale is a popular satellite of Reading, providing a good range of amenities together with excellent road and rail communications. These modern office buildings are let at rents significantly below central Reading and we anticipate future increases as rental gains in Reading town centre ripple out. Rail electrification from 2017 will also benefit the property, with improved access to Reading and Crossrail links to London. The lease structure provides the opportunity to work with the tenant to restructure its leases whilst continuing to benefit from the high yield this acquisition provides.*”**

“Since the Capital Raising of £87 million in February, this purchase increases the funds deployed on acquisitions to £63 million. This is our sixth purchase, and we are continuing to assess further acquisitions and portfolio opportunities”.

Hicks Baker acted for McKay Securities PLC. JLL acted for M&G Real Estate.

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