



PRESS RELEASE

Acquisition of The Planets, Woking

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 the off market freehold acquisition of The Planets, Woking for £8.75 million from St. Modwen Properties Plc.

The property is let to Woking Borough Council until March 2020 at a rent of £638,828 per annum, equivalent to £6.95 per sq ft. This provides an initial yield of 6.9%, increasing at the next rent review in March 2015 to an estimated £750,000 per annum (8.1%) based on a fixed uplift, linked to RPI.

The Planets was built as a supermarket in the 1970's and occupies a prime site in the centre of Woking totalling 1.04 acres. It was converted in the mid 1990's and is now occupied as a mixed use scheme comprising conference centre, bingo hall, hotel and other leisure facilities, totalling some 92,000 sq ft (GIA).

The acquisition is immediately adjacent to McKay's existing building at 1 Crown Square, purchased in January 2014. The combined holding presents a significant future redevelopment opportunity in this popular and improving town centre, located 5 miles from Junction 11 of the M25 and with a direct train service to London Waterloo in under 30 minutes.

Commenting on the purchase, Simon Perkins, Managing Director of McKay said:

***“We are pleased to have added to our holding in central Woking, where there is a considerable amount of investment and regeneration taking place. The acquisition provides an attractive, secure income which matches the income expiry in our existing adjacent office building. This increases the management and redevelopment opportunities available to us at that time.*”**

Since the Capital Raising of £87 million in February, we have now committed over £70 million to the acquisition of seven properties and portfolio refurbishments. With our existing loan facilities, we have a further £60 million available for acquisitions and current portfolio projects.

We continue to target and assess buildings with scope to release income and capital gains from our development, refurbishment and management skills”.

Tim Seddon, Regional Director for London and the South East at St. Modwen said:

“This disposal of The Planets constitutes a positive return for St. Modwen, enabling us to recycle investment back into both our existing portfolio and new development opportunities across London and the South East”.

Strutt & Parker acted for McKay Securities PLC. Colliers International acted for the vendor.

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For further information please contact:

McKay Securities PLC
Simon Perkins, Managing Director
Giles Salmon, Finance Director
0118 950 2333

Broker Profile
Simon Courtenay
Tamsin Shephard
020 7448 3244