



McKAY SECURITIES PLC

McKAY ACQUIRES BRACKNELL OFFICE INVESTMENT

McKay Securities PLC, the Real Estate Investment Trust (REIT) specialising in South East and central London office and industrial property, has acquired Doncastle House, a 33,600 sq ft modern office property in Bracknell for £2.71 million. This represents an initial yield of 12.5%. The purchase price equates to £85 per sq ft after purchasers costs, which is significantly below the cost of reinstatement.

The property offers significant scope to improve both the rental income and capital value with a programme of active asset management. It has an excellent car parking ratio of 1:188 sqft and benefits from good access to the motorway network, being situated next to the A329(M) that links the M4 and the M3.

The accommodation comprises flexible office suites that are let to a range of occupiers including TechnoGym, the official supplier of gym equipment to the 2012 London Olympic Games.

Average rents are currently in the region of £15 psf. If the building was fully let at current rents, the initial yield would rise to 17.5%. The intention is to improve the quality and occupancy of the building with an external and internal improvement programme. The building also has a recent planning consent to increase the net lettable area by 30%.

Commenting, Simon Perkins, Managing Director of McKay said,

“ We are pleased to announce this acquisition. Doncastle House offers an excellent opportunity to improve both rental income and capital value by simple, effective asset management. It is in a highly accessible location in Bracknell with very generous car parking, which remains important for occupiers. There is surprisingly limited choice for smaller occupiers looking for flexible, good value space in Bracknell. We are confident that we will be able to improve the performance of this building to the benefit of our shareholders.”

Mellersh and Harding acted for McKay Securities PLC

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