

## McKAY SECURITIES PLC

### McKAY ACQUIRES HIGH YIELDING OFFICE INVESTMENT WITH REDEVELOPMENT POTENTIAL

McKay Securities PLC, the Real Estate Investment Trust (REIT) specialising in South East and central London office and industrial property, has acquired the freehold of Pinehurst Park, Farnborough for £3.5 million. It has acquired the property from Receivers who were paid a further undisclosed sum from the tenant for the simultaneous completion of a Deed of Variation. The property, which totals 2.8 acres in central Farnborough, comprises a former Victorian convent building of 13,400 sq ft that has been converted to offices, which is connected to a modern office building of 50,200 sq ft.

The entire property is let to IBM until January 2016 at an annual rent of £1.29 million. Coterminus with the acquisition, IBM entered into a Deed of Variation that enables it to vary the terms of its existing lease in January 2013. At that time, IBM can extend its lease term to February 2018 at a revised rent of £500,000 per annum and hand back the office space it occupies in the former convent building and half of the modern building.

In the event that IBM exercise the Deed, it is McKay's intention to pursue the early disposal of the former convent for residential use. Thereafter, it will seek planning consent for a change of use of the balance of the site to allow a possible disposal on or prior to the expiry of IBM's occupation.

The property was introduced to McKay by the London and Devonshire Trust, who will work alongside McKay with future management. Strutt and Parker acted for the Receivers, Jo Pitt and Ben Moon of BNP Paribas Real Estate.

Commenting, Simon Perkins, Managing Director of McKay said,

***“ This acquisition provides a high income yield from an undoubted covenant with a reasonable timeframe to pursue an uplift in value by way of a residential planning consent. This would be an appropriate alternative use for this prominent and accessible town centre site, in keeping with recently introduced national planning policy framework. ”***

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Date: 14<sup>th</sup> June 2012

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