



**McKAY SECURITIES PLC (“the Group” or “McKay”)**

**McKAY SIGNIFICANTLY INCREASES HEADROOM WITH £180M REFINANCING**

McKay Securities PLC, the only UK REIT specialising entirely in the London and South East office and industrial markets, announces that it has signed a new secured £180 million revolving credit facility (“RCF”) with a maturity of five years, to replace three current bilateral facilities totaling £125 million. The refinancing has been agreed with a syndicate of lenders consisting of Lloyds Bank, Barclays, NatWest and Santander banks.

This new refinancing, coupled with a £65 million fixed facility already held with Aviva, increases McKay’s total debt facilities from £190 million to £245 million. This provides the Group with £80 million of firepower over current drawings to support operational flexibility, deliver further portfolio initiatives and give wider scope for new investments.

The Group is currently £165 million drawn on its existing facilities (34% LTV using 30th September 2018 values). With the benefit of the new facility, the initial weighted average cost of debt (prior to amortisation of fees) at current rates will be 3.2%, reducing to 3.0% if fully drawn (weighted average cost of debt for 12 months to 31<sup>st</sup> March 2018: 4.1%).

At current drawings, the Group is 39% fixed or hedged, and the possibility of additional hedging remains under review.

**Simon Perkins, CEO of McKay, commented:** “We are pleased to build on our long-term relationship with our banking group and welcome back Lloyds into our pool of lenders. This new facility further strengthens our financial platform and provides us with greater flexibility to implement our active programme of portfolio management, refurbishment and development at a highly competitive cost of debt.”

PWC acted as debt advisor to McKay on this transaction.

-Ends-

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For further information, please contact:

**McKay Securities PLC**

Simon Perkins, CEO  
Giles Salmon, CFO  
0118 950 2333

**FTI Consulting**

Dido Laurimore, Ellie Sweeney  
0203 727 1000  
mckay@fticonsulting.com

## **About McKay Securities**

McKay Securities PLC is a commercial property investment company with Real Estate Investment Trust (REIT) status, listed on the main market of the London Stock Exchange. It specialises in the development and refurbishment of good quality office and industrial building with established and proven markets of London and South East England. The portfolio, which was last valued at £479 million (30<sup>th</sup> September 2018), now comprises 33 properties in strong and established areas which deliver diversity in terms of both sector and location.

**[www.mckaysecurities.plc.uk](http://www.mckaysecurities.plc.uk)**