



McKAY SECURITIES PLC

ACQUISITION OF REDEVELOPMENT OPPORTUNITY ON LONDON ROAD, REDHILL

McKay Securities PLC, the Real Estate Investment Trust (REIT) specialising in South East and central London office and industrial property, has completed the off-market freehold acquisition of a 1.2 acre development site in Redhill from Hodnet Properties Ltd for £2.30 million.

The site has a prominent frontage on London Road, which is one of the prime office locations in central Redhill, close to the railway station and town centre facilities. Redhill is a well regarded centre attracting occupiers due to its direct rail links to London, connections to the M25, skilled labour and wide range of town centre amenities. There are no new or planned buildings available to replace the increasing obsolete existing building stock, which dates back predominantly to the 1980's.

The site has the benefit of recent planning approvals for the construction of a high quality office building totalling 47,900 sq ft (NIA) and 14 residential apartments. This will replace the dated offices on the site that were occupied formerly by the Department of Work and Pensions. These approvals were obtained by Lamron Developments, an established South East developer, who will work jointly with McKay on the management and development of the site.

The acquisition is part of McKay's strategy to invest in assets in its core market that have the potential to release value from development, refurbishment and active management. The acquisition follows the recent disposal of a large office property in Glasgow that released funds for reinvestment.

Simon Perkins, Managing Director of McKay, commented:

“ This is one of the few opportunities in the South East office market to acquire a prime site to meet occupier requirements for a new, mid size building with large floor plates and good town centre parking. After allowing for the disposal of the residential element, the entry price will allow delivery of a quality product at affordable rental levels.

“ Following our recent acquisitions in Wilson Street EC2 and Farnborough, this represents another good opportunity to use our property skills to create value for our shareholders.”

BNP Paribas Real Estate acted on behalf of McKay Securities and Lamron Developments, and Maxwell Brown acted on behalf of the vendor.

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