



## **McKAY SECURITIES PLC**

### **MCKAY SECURES SURPLUS WITH DISPOSAL OF FIRST PHASE OF FARNBOROUGH SCHEME**

McKay Securities PLC, the Real Estate Investment Trust (REIT) specialising in South East and central London office and industrial property, has completed the freehold sale of part of its 2.8 acre Pinehurst Park complex in Farnborough, Hampshire for £1.2 million.

McKay has sold the former Victorian convent building to a specialist residential property development company. The sale price of £1.2 million is well ahead of the September 2012 book value of £750,000. This valuation pre-dated the planning consent achieved by McKay in December 2012 to convert the Convent from office into residential accommodation. The 13,400 sq ft building had previously been attached to the larger 50,200 sq ft office complex at Pinehurst Park.

Since it bought the property for £3.5 million in May last year, McKay has also re-gearred and extended the existing lease with IBM on the remaining offices. On receipt of sale proceeds from the Convent, the running yield from the retained office element increased from 13% to 18%, which is secure until January 2018. After this time, McKay will consider the potential for a further uplift in value from securing residential consent for the remainder of the site.

Simon Perkins, Managing Director of McKay Securities commented:

***“We achieved our objective of residential consent for the Convent quickly and exceeded our value expectations on disposal due to the high level of demand from a range of residential developers. Having re-gearred the lease with IBM we now have a strong running yield while we explore further gains from residential use across the remainder of the site.*”**

***“We continue to look for attractive acquisition opportunities in our core markets of London and the South East. With the proceeds from this sale and our recent large disposal in Glasgow, we have significant firepower to invest in properties where we can add value across the region.”***

**Date: 25<sup>th</sup> April 2013**

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#### **Broker Profile**

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