



MCKAY DOUBLES PASSING RENT WITH TECH CITY REFURBISHMENT

McKay Securities PLC (“McKay”), the Real Estate Investment Trust, specialising in South East and London office and industrial property has announced that it has let the whole of its 66 Wilson Street office refurbishment scheme in London, EC2.

McKay has let the entire 11,893 sq. ft five storey building on a ten year lease without breaks to a UK based travel visa processing company, a wholly-owned subsidiary of a global travel business.

The rent achieved is £553,000 per annum, which equates to a headline rent of £51.60 per sq. ft. after discounting the lower ground and ground floors. The rent overall equates to £46.50 per sq. ft. The tenant will benefit from a 20 month rent free period.

The freehold of 66 Wilson Street was acquired by McKay from British Land in December 2012 for £3.6 million, with the benefit of short income. It is located in an increasingly popular area, just north of London’s financial district, which has been labelled ‘Tech City’. Yet it is close to Underground and mainline train connections including the soon to be completed Crossrail scheme. McKay identified the potential to re-position the building and to relaunch the property with a modern offering to attract new tenants. The refurbishment was completed in September 2014 and there was strong interest in both individual floors and the entire building. Given the strength of the market response, McKay was able to let the whole building to one tenant, on a long lease at a strong rental level.

The project was one of four portfolio refurbishment schemes identified by McKay for early implementation when it completed its £86.7 million fund raising in January 2014.

Commenting on the letting, Simon Perkins, Managing Director of McKay said:

***“This property is a practical example of how our business model creates shareholder value. We identified that the property had great potential for income and capital gain when we acquired it in 2012, due to the fundamental characteristics of the building and the improving location. Following expiry of the existing lease, our comprehensive refurbishment has created a building that offers tenants first class accommodation. We have completely repositioned the building and created a valuable, attractive asset that has secured excellent rental income and a significant capital gain that will be confirmed at the year-end valuation.*”**

“We were delighted with the strong interest from potential tenants when we launched the scheme. The letting we have achieved has doubled the headline rental income from £276,000 per annum prior to the refurbishment to £553,000 per annum, ahead of our valuer’s estimates.”

Knight Frank and Savills acted for McKay and Colliers acted for the tenant.

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