



McKAY SECURITIES PLC (“The Group”)

DISPOSALS AT BICESTER AND HOOK FOR £12 MILLION

McKay Securities PLC, the only Real Estate Investment Trust specialising entirely in the South East and London office and industrial markets, announces that it has completed the freehold disposal of the McKay Trading Estate, Bicester and Bartley House, Hook for £11.66 million, reflecting a blended initial yield of 3.3% and a combined surplus over book value (September 2015) of 79.1%.

The Bicester property comprises seven individually let warehouse units developed by the Group in 1980 totalling 65,540 sq ft, with a current rent payable of £0.22 million per annum. These units form the balance of the Estate retained after compulsory purchase of part by Chiltern Railways in September 2014 to accommodate the enlarged adjacent rail station and car park. The sale price of £7.85 million was 124% ahead of book value.

Bartley House, Hook is a two storey office building totalling 21,700 sq ft, purchased and refurbished by the Group in 1998. The first floor is vacant and the ground floor is let until July 2017 at a rent of £0.17 million per annum. The price paid by Stonegate Homes of £3.81 million was 27% ahead of book value.

Proceeds will be recycled into McKay’s programme of portfolio improvement projects, its development programme and future acquisitions.

Simon Perkins, Managing Director of McKay Securities said:

“ These disposals continue our policy of recycling capital from smaller, mature assets and realise a significant uplift over book value.

The purchaser at Hook has carried out a number of conversions from office to residential use using permitted development rights. The price paid represents a full residential value.

The price achieved at Bicester reflects the benefit of the recently completed station works and captures gains estimated to be well ahead of future development profit today.

Proceeds will be recycled and reinvested into existing portfolio opportunities and acquisitions with better growth prospects.”

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