



McKAY SECURITIES PLC

McKAY BENEFITS FROM STRENGTHENING THAMES VALLEY PROPERTY MARKET WITH CLUTCH OF NEW LETTINGS

McKay Securities PLC, the Real Estate Investment Trust (REIT) specialising in South East and central London office and industrial property, has announced a clutch of lettings across its portfolio.

Switchback Park, Maidenhead

www.switchbackofficepark.co.uk

At the Switchback Office Park in Maidenhead, McKay has pre-let 10,765 sqft, increasing occupancy to 78% from 30% at the start of the year at improved rental values. The Park comprises 6 self-contained buildings (37,900 sqft) in a landscaped setting on the northern side of Maidenhead town centre. Following the letting of Building 2 in April, McKay committed to start a refurbishment programme of the remaining vacant buildings. It has subsequently pre-let Building 1 and the ground floor of Building 3 to electronics company Avire. It has also completed a pre-let to the National Rheumatoid Arthritis Society which has taken the ground floor of Building 4. Both tenants will take occupation after McKay has completed the refurbishment works, due prior to Christmas. Based on this success, McKay will speculatively refurbish Building 6 (4,570 sqft), which is planned to start early in the New Year.

The contracted rental income achieved on the two pre-lets totalled £155,550 pa (£14.50 per sqft) 37% higher than the ERV of £113,735 pa (£10.50 per sqft) prior to the works. As a result of the improvement in the quality of the office floor space, the buildings are well placed to benefit from market rental growth and on Building 6, the quoting rent will be over £20 per sqft.

Avire and NRAS have both been based in Maidenhead for some time and they have chosen to move to Switchback Office Park on expiry of leases in older buildings. They were attracted by the quality of the buildings, the generous car parking and the proximity to Maidenhead town centre and the motorway network.

Lambert Smith Hampton and Duncan Bailey Kennedy acted for McKay.

McKay Trading Estate, Poyle

www.mckaypoyle.co.uk

At the McKay Trading Estate, Global Cargo Services Ltd, the existing tenant of Unit 7 (7,885 sqft) and Unit 9 (8,245 sqft), has taken new five year leases of both units and expanded by taking Unit 8 (8,158 sqft) as well. The Estate consists of nine units (74,270 sqft) at Poyle, in a prime location close to Terminal 5 of Heathrow Airport.

The rent payable by Global has increased from £160,620 pa to £250,158 pa, representing a 6.8% increase over ERV for the three units at September 2013. All three leases are on five year terms. One unit (7,000 sqft) remains vacant on the estate. Given its location, it is popular with cargo freight handlers for its ease of access to the airport and the motorway network.

Savills and Vail Williams acted for McKay.

.....cont.

...../2

Simon Perkins, Managing Director of McKay, commented:

“ These new lettings correspond with a notable improvement in sentiment within our core South East markets. Occupier take up of floor space within the office market in particular will be comfortably the highest since 2007.

With limited development and increasing obsolescence, the choice of quality buildings for tenants is becoming increasingly constrained. As demonstrated with both these lettings, this is contributing to rental growth which has already begun to have a positive impact on capital values.”

-ends-

Date: 5th November 2013

For further information please contact:

McKay Securities PLC

Simon Perkins, Managing Director
Giles Salmon, Finance Director
0118 950 2333

Broker Profile

Simon Courtenay
020 7448 3244