

McKAY SECURITIES PLC

**McKAY RELETS 100,000SQ.FT GLASGOW OFFICE BUILDING
TO STUDENT LOANS COMPANY**

McKay Securities PLC, ("McKay") the Real Estate Investment Trust, has re-let its large office property in Glasgow to the Student Loans Company.

The 100,270 sq ft office building is located at 100 Bothwell Street, right in the heart of Glasgow City Centre. The property was originally developed by McKay in the mid 1980s. Since taking occupation, the Student Loans Company has consolidated its operations and now occupies the entire building as its Head Office and main administration centre. Its existing leases were due to expire in December 2013. It has now agreed with McKay to enter into a new lease for the whole building, extending its occupation for up to 10 years. In December 2013 the Student Loans Company will pay an annual rent of £1.97 million, subject to a 15 month rent-free period. There is a rent review and a tenant break clause in December 2018.

The Government owned-organisation has had its headquarters in Bothwell Street since 1990 when the UK student loans system was set up. At that time, the Student Loans Company took up just two floors and employed 50 people. Now 1,100 staff work in all eight floors of the building in departments including: customer service, IT and collections to support and advise more than 4.1 million customers across the UK.

Simon Perkins, Managing Director of McKay commented:

" We are pleased to have reached a successful conclusion with The Student Loans Company, which provides them with operational security. It will enhance the value of this significant asset, and improves the resilient characteristics of our portfolio."

Les Campbell, Finance Director for the Student Loans Company said:

" We are delighted to extend the lease on the Bothwell Street building. We had been looking at a number of alternative sites, including the existing one here, and are pleased that, working closely with our landlords, we secured a good deal for the company."

Jones Lang LaSalle acted for McKay Securities PLC and Ryden acted for The Student Loans Company.

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