



McKAY SECURITIES Plc AGREES £76.5M DISPOSAL OF 30 LOMBARD STREET, EC3

McKay Securities Plc (McKay), the only UK REIT specialising entirely in the London and South East office, industrial and logistics markets, announces that it has exchanged contracts to sell the long leasehold interest in 30 Lombard Street, a prime office building located in the heart of the City of London. The headline sale price of £76.5m (prior to the deduction of outstanding tenant incentives, tax and sale costs), reflects a net initial yield of 4.16% on a topped-up basis and a capital value of £1,308 per sq ft.

Completion of the sale is subject to Landlord's consent and satisfaction of certain conditions relating to highways matters, potentially requiring third party approval, with an estimated timescale of circa three months. A further announcement will be made when the sale completes.

The redevelopment of 30 Lombard Street by McKay was completed in early 2019. Providing 58,500 sq ft over 11 floors, the BREEAM 'Excellent' building was pre-let shortly before completion to FTSE 100 wealth manager, St. James's Place plc on a 15 year lease until 2034 (without breaks) securing a net rent of £3.4 million pa (£65.00 per sq ft overall). Together with its core City location, it offers outstanding column free office space and excellent natural light, with a substantial roof terrace.

McKay acquired the long leasehold interest of the site in 1999 with a multi-let 36,000 sq ft 1960's office building generating rental income of £1.1 million pa. Income was retained from the building while planning consent was achieved for the current scheme, securing a 62% increase in lettable area. McKay's successful capital raising in 2014 facilitated the speculative redevelopment of the property, resulting in the generation of shareholder value and the enhancement of this historic City location with a building of the highest quality.

On completion the sale, proceeds will initially be used to pay down debt, prior to re-investment in new acquisitions and portfolio opportunities.

Knight Frank acted for McKay and BNP Paribas acted for the purchaser.

-Ends-

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For further information, please contact:

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This announcement contains inside information. The person responsible for the release of this announcement is Giles Salmon, CFO.

About McKay

McKay Securities Plc is a commercial property investment company with Real Estate Investment Trust (REIT) status, listed on the main market of the London Stock Exchange. It specialises in the development and refurbishment of office, industrial and logistics buildings within established and proven markets of London and South East England. The portfolio, which was valued at 30 September 2019 at £492.14 million, comprises 32 properties in strong and established areas, which deliver diversity in terms of both sector and location.

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