



Significant Lettings

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McKay Securities PLC
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PRESS RELEASE

McKay Secures Significant Lettings for Speculative South East Office Schemes

McKay Securities PLC has completed the letting of top quality speculative office schemes in Wimbledon and Westminster, totalling 76,100 sq ft (NIA), to undoubted covenants for a combined gross rent of £2.59 million per annum. Both leases are for a minimum of 15 years without break.

In Wimbledon, McKay have let the entire office element of Wimbledon Gate (54,350 sq ft) to Domestic & General Group Plc on a 15 year unbroken term, at a rent of £1.54 million per annum which equates to £28.60 psf, with a market level of letting incentives. The building was completed in September 2005, and a ground floor retail / restaurant unit of 4,350 sq ft remains available to let.

In Westminster, the whole of 1 Old Queen Street, SW1 (21,700 sq ft) has been let on a 20 year lease (with a break after 15 years) to a tenant whose identity is covered by a confidentiality agreement. The agreed rent is £1.05 million per annum which equates to £51.60 psf, with the tenant granted a letting incentive equivalent to 18 months rent free. The letting was conditional on completion of the building, which took place on the 20th January 2006. McKay acquired the property in 2001, obtained planning consent for a 30% increase in floor area in March 2003, and commenced redevelopment in May 2004 having negotiated early vacant possession.

Simon Perkins, Managing Director of McKay Securities PLC said "the quality of these buildings and the increasingly limited choice for tenants of good quality office accommodation helped secure long term commitments from strong covenants. The lettings were at rents ahead of our expectations when we started construction, due to the improvement in market conditions. Both schemes were financed internally and their letting enables the release of further funds for new acquisitions and other schemes in our development programme".

Agents acting for McKay in respect of 1 Old Queen Street were Mellersh & Harding and Knight Frank, and at Wimbledon Gate were Savills and Cattaneo Commercial. Domestic & General were represented by Colliers CRE.

Contacts

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