



McKAY PRE-LETS SOUTHWARK OFFICE SCHEME

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McKay Securities PLC
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McKay Securities PLC, ("McKay") the Real Estate Investment Trust specialising in South East and central London office and industrial property, has pre-let the whole of 203 Blackfriars Road in Southwark, London, SE1.

The 21,000 sq ft office building is currently being refurbished to a Grade-A standard by McKay. It has been pre-let on a 12 year lease (without break) to the Overseas Development Institute (ODI), conditional on completion of the refurbishment works. The headline rent is £41 per square foot representing an annual rent of £800,000, with a reduced rent payable on the lower ground floor. The ODI will receive 24 months rent free from completion of the lease.

203 Blackfriars Road is located close to the entrance to Southwark underground station and the new southern entrance to Blackfriars station. It was vacated by the previous tenant in late 2011 at which time McKay started an extensive refurbishment programme to significantly upgrade and reposition the building. This scheme is due to complete in July 2012.

ODI is the UK's leading independent think tank on international development and humanitarian issues. With over 180 staff, including researchers, communicators and specialist support staff, ODI has developed a unique reputation, both nationally and globally, for high quality research and independent policy advice on issues ranging from trade and global finance to climate change and humanitarian policy and practice. The move to 203 Blackfriars Road is part of ODI's strategy to remain fit for purpose in a rapidly changing field. The high standard of refurbishment aligns with ODI's aspirations to be a better business and a more climate smart organisation.

Simon Perkins, Managing Director of McKay commented:

" We are delighted to announce this pre-let to ODI. We have enjoyed a constructive dialogue with a well-informed occupier and have been able to vary our refurbishment works to facilitate their fit out proposals. This will avoid wastage and will help ODI meet their target occupation date in an efficient and cost effective fashion.

" Recent investment in local infrastructure and amenities has attracted occupiers to the Southwark area, contributing to a low vacancy rate for Grade A product. The letting has justified our confidence in the prospects for this area by capitalising on these market improvements, securing a significant uplift over the rental value prior to refurbishment.

" This letting is a good example of how McKay creates value for our shareholders. We focus on well located properties, where we can add value over time through our approach to asset management."

EA Shaw and Savills represented McKay. Carter Jonas represented the Overseas Development Institute.

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Date: 1st May 2012
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