



Press Release

20 January 2021

McKAY SECURES SUBSTANTIAL LEASE RENEWAL IN WIMBLEDON

McKay Securities Plc (“McKay” or “the Company”), the only UK REIT specialising entirely in the office, industrial and logistics markets of the South East and London is pleased to announce that it has agreed a lease renewal with Domestic & General (“D&G”), a leading specialist warranty provider, of 37,400 sq ft (70% of the office space) at Swan Court in Wimbledon.

D&G has been based at Swan Court since McKay developed the five-storey building in 2006, having originally leased the entire office accommodation (53,800 sq ft), on a 15-year term expiring in February 2021. The passing rent, following an uplift at review in 2016, is £2.35 million pa, equating to £43.00 psf. D&G is committing to a new 10 year lease term (with a tenant only break in year 5) over the 2nd – 5th floors (37,400 sq ft) at a contracted rent of £1.76 million pa, equating to £47.10psf which is in line with the September 2020 ERV. D&G will hand back the ground and first floors (16,400 sq ft) which they have part sub-let and not occupied for a number of years.

As part of the agreement, McKay will refurbish and improve the common parts of the building, refreshing the reception area and creating new tenant amenities, with the provision of bike storage and shower facilities. McKay will also refurbish the ground and first floors (16,400 sq ft), incorporating the ground floor retail unit (3,730 sq ft), into a modern, urban office environment available on flexible terms on completion of the works in the Autumn.

Commenting on the letting, Simon Perkins, Chief Executive of McKay, said: “The lease regear provides a strong endorsement of the quality and location of this asset, and we are pleased to be able to build on our long-term relationship with Domestic & General. The improvement works will provide contemporary office accommodation and enhance our letting prospects for the two vacant floors in an undersupplied market.”

Commenting on behalf of D&G, Nick Ulycz, Chief Operating Officer, said: “Whilst in the last year we have mainly been working from home, we will be adopting a hybrid working model and remain committed to providing our colleagues with an office environment for collaborative working. The updated facilities at Swan Court will be a great place to meet with colleagues and clients to share and progress ideas.”

Savills acted on behalf of McKay and D&G was represented by CBRE.

-ENDS-

For further information, please contact:

McKay Securities Plc

Simon Perkins, CEO
Giles Salmon, CFO
0118 950 2333

FTI Consulting

Dido Laurimore, Talia Jessener
0203 727 1000
mckay@fticonsulting.com

About McKay Securities

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 proven markets of South East England and London. The portfolio at 30 September 2020 comprised 33 properties, valued at £438.95m, located in established areas, predominantly along the M4 corridor, where McKay has deep expertise, with a focus on growing satellite towns benefitting from strong connectivity to London and robust demand amongst leading occupiers.

www.mckaysecurities.plc.uk