



**McKAY SECURITIES PLC (“the Group” or “McKay”)**

**DISPOSAL OF THEALE OFFICE ASSET TO OWNER OCCUPIER**

McKay Securities Plc, 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 Station Plaza, a freehold office asset in Theale, Berkshire for £8.2 million. The sale is conditional on vacant possession on expiry of the current lease at the end of July 2019.

Station Plaza, which consists of three office buildings totalling 41,420 sq ft, was acquired by McKay in 2014 with a passing rent of £0.90 million pa (£21.50 psf) from a 20-year lease across all three buildings, generating a 10.1% income yield. A number of asset management options had been worked up for implementation on lease expiry, including a comprehensive office refurbishment. However, the sale to an owner occupier delivers the anticipated refurbishment profit, at a price which is significantly ahead of book value as at 31<sup>st</sup> March 2019. The sale proceeds will be used for reinvestment into new higher-growth opportunities, through either acquisition, development or asset management initiatives.

**Commenting on the sale, Simon Perkins, Chief Executive of McKay, said:**

“Station Plaza has served us well with a double digit income yield from income of £0.90 million pa since acquisition in 2014, and we are now recouping our purchase price with no capex. Having carefully considered refurbishment proposals to maximize the value of this asset on lease expiry in July, we are confident that the sale price, which is significantly ahead of book value, delivers the optimal result. Added to our recent refinancing, the proceeds from this sale will be put towards our active portfolio refurbishment and development programme as well as new acquisitions.”

-Ends-

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**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 31<sup>st</sup> March 2019 at £482.70 million, comprises 33 properties in strong and established areas, which deliver diversity in terms of both sector and location.

**[www.mckaysecurities.plc.uk](http://www.mckaysecurities.plc.uk)**