



McKAY SECURITIES PLC ("the Group" or "McKay")

LETTING PROGRESS CONTINUES FOR McKAY AT PROSPERO, REDHILL

McKay Securities PLC, the only UK REIT specialising exclusively in the London and South East office and industrial markets, has let the ground floor of Prospero, its new 50,370 sq ft office development in Redhill, to insurance broker, The Plan Group Limited ("The Plan Group").

The Plan Group has agreed a 15 year lease term on 11,537 sq ft of space, with a tenant break option after 10 years, at a rent of £346,110 p.a., equivalent to £30.00 per sq ft. Prospero will represent The Plan Group's new headquarters, relocating from their existing freehold in Purley, Croydon. This announcement follows a letting earlier in the year of the third floor of Prospero to Morrisons Solicitors LLP. With two of the four floors now committed, Prospero is 46% let at rents ahead of ERV. Marketing of the remaining two floors totalling 26,100 sq ft continues to generate encouraging interest.

The 1.2 acre Prospero site was acquired by McKay in an off-market transaction in May 2013 for £2.3 million, with the benefit of a planning consent in place. Following immediate work to enhance the office planning consent and dispose of surplus land to a residential developer, McKay completed the development at the end of 2016.

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

"The selection of Prospero by The Plan Group provides a clear indication of demand for the occupier-focused business space we have created in this undersupplied market. This letting means two of the four floors are now occupied, and interest levels remain high in the remainder of the property.

"As this letting demonstrates, we continue to deliver attractive shareholder returns through realising the significant reversionary potential of our portfolio and with a strong pipeline of active projects we look forward to maintaining this."

Scott Georgiades, Founder and Corporate Development Director of The Plan Group, said:

"The opening of our new office building in Redhill is an exciting new step in our company's development. We see an increasing demand and interest for our services and we strongly believe that our brand really fits here. The convenience of the Prospero office location coupled with the impressive sustainability levels of the development were major pull factors in moving our business here."

McKay's Prospero project was Redhill's first new office development in over 10 years. The building features four large flexible floors, 87 car parking spaces and is flooded with daylight due to floor to ceiling windows. The scheme achieved the BREEAM "Excellent" and EPC 'A' ratings due to its sustainable design, ensuring running costs are kept to a minimum. Its electricity consumption is expected to be 60% lower than a typical UK office building.

Located in the heart of Redhill town centre, Prospero is just a seven minute walk from Redhill railway station which provides direct access to London Bridge, London Victoria and Gatwick Airport. It is equally conveniently situated close to the M25.

Strutt & Parker and Altus Group acted on behalf of McKay and Michael Rogers acted on behalf of The Plan Group.

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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 good quality office and industrial buildings within established and proven markets of London and South East England. The portfolio, which is valued in excess of £430 million, comprises 36 properties in strong and established areas which deliver diversity in terms of both sector and location.