



March 2024  
Quarterly Trading Update

*“Aiming to be the REIT of choice for private and institutional investors seeking high and stable dividends from well diversified UK commercial real estate”*

May 2024



# Dividend Progression

DIVIDEND GROWTH SUPPORTED BY RENTAL GROWTH AND FALLING VACANCY RATE



## Dividend increase:

**Q4 1.375p**

Fully covered by EPRA earnings 1.5p

**FY24 0.3p special**

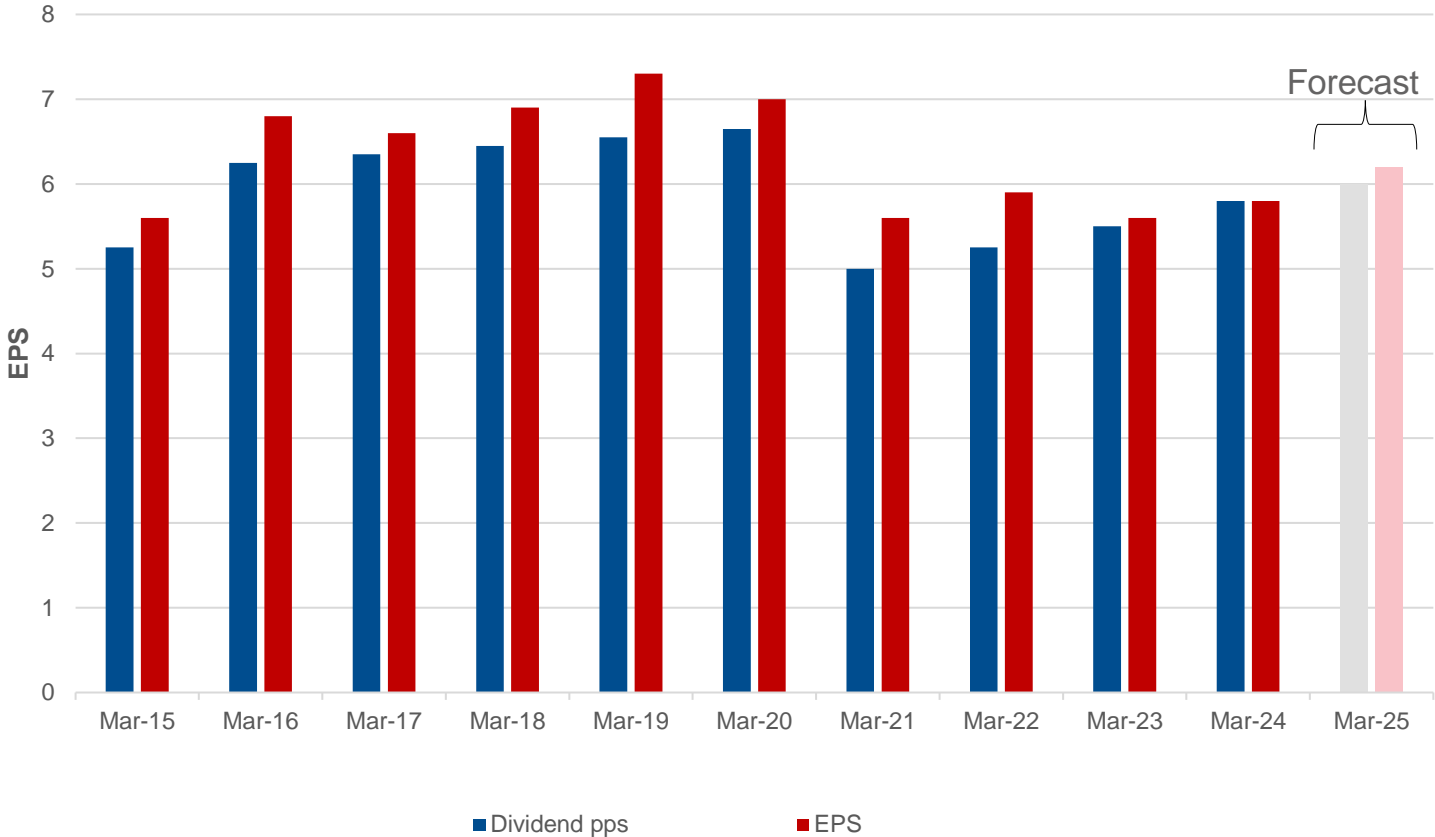
Fully covered by EPRA earnings 5.8p

**FY25 6.0p target**

**9% increase for FY25**

**8.1% dividend yield<sup>(1)</sup>**

**Dividend vs EPS**



(1) Based on prevailing share price of 74 pps



# Rental growth and leasing activity supporting dividends

STRONG OCCUPATIONAL MARKET

Estimated rental  
value (ERV) 

- Like-for-like<sup>(1)</sup> **ERV** has increased by 0.8% since 31 December 2023
  - Driven primarily by rental growth in the industrial sector.
  - Portfolio ERV (£49.4m) exceeds passing rent (£43.1m) by 15% (31 December 2023: 15%) demonstrating the portfolio's significant reversionary potential

Passing rent 

- Like-for-like **passing rent** increased by 1.7% during the Quarter
  - Driven by resilient occupier demand for space across all sectors of the Company's portfolio.
  - Three rent reviews were settled during the Quarter, on average, 7% ahead of ERV and 29% above previous passing rent.
  - Thirteen new leases and regears were also signed securing £1.4m of annual rent which increased property capital value by £2.0m

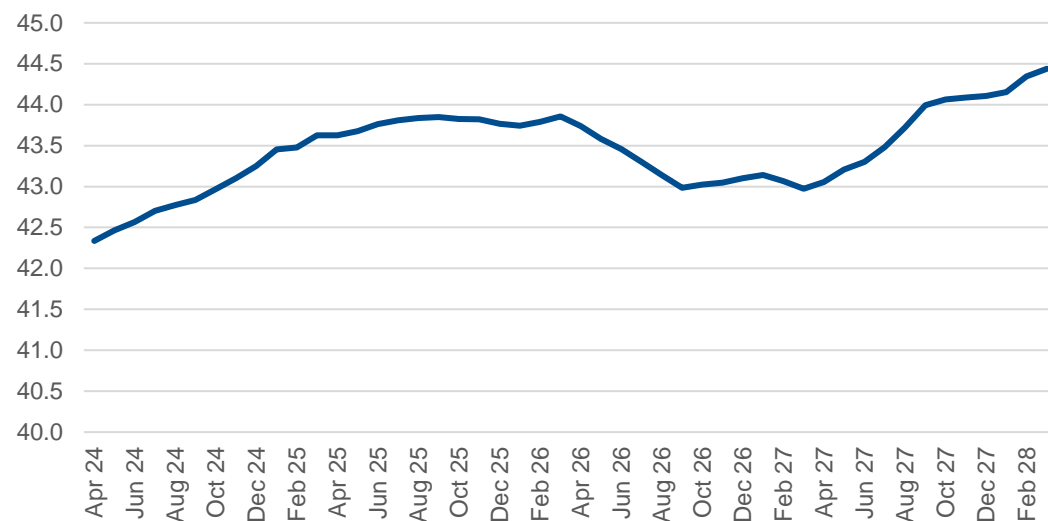
Occupancy 

- EPRA **occupancy**<sup>(2)</sup> has increased to 92% (31 December 2023: 91%)
  - Occupancy increases to 94% when the 2% of ERV vacant, that is currently under offer to let or sell is excluded.
  - A further 1% of ERV is subject to refurbishment.

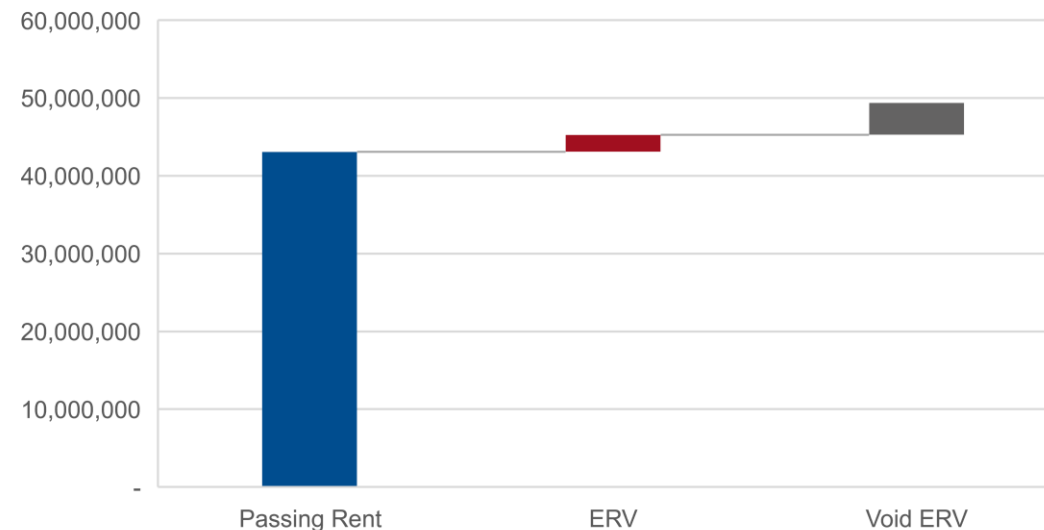
# Reversionary potential

IN RISING MARKET RENTS ARE BEING AGREED AHEAD OF FORECAST ERV

Annual contractual rent (£m)



Reversionary Potential



## Headline rental growth forecast

Forecast based on independent estimate of rental values

Allows for forecast vacancy and re-letting

## 15% reversionary potential

Capture rental reversion through asset management

Significant progression on letting vacant space

## Valuations stabilised

Values have been falling but at a decreasing rate since 2022

First quarter of no change in valuation

Income driving total return

- The valuation remained **flat on a like-for-like basis** during the Quarter, net of a £2.0m valuation increase from active asset management activity
- 155 property portfolio valued at **£589.1m**
- Q4 net asset value (“NAV”) total return per share of **1.6%**
- **NAV per share of 93.4p** (31 Dec 2023: also 93.3p)
- NAV of £411.8m (31 Dec 2023: £411.2m)

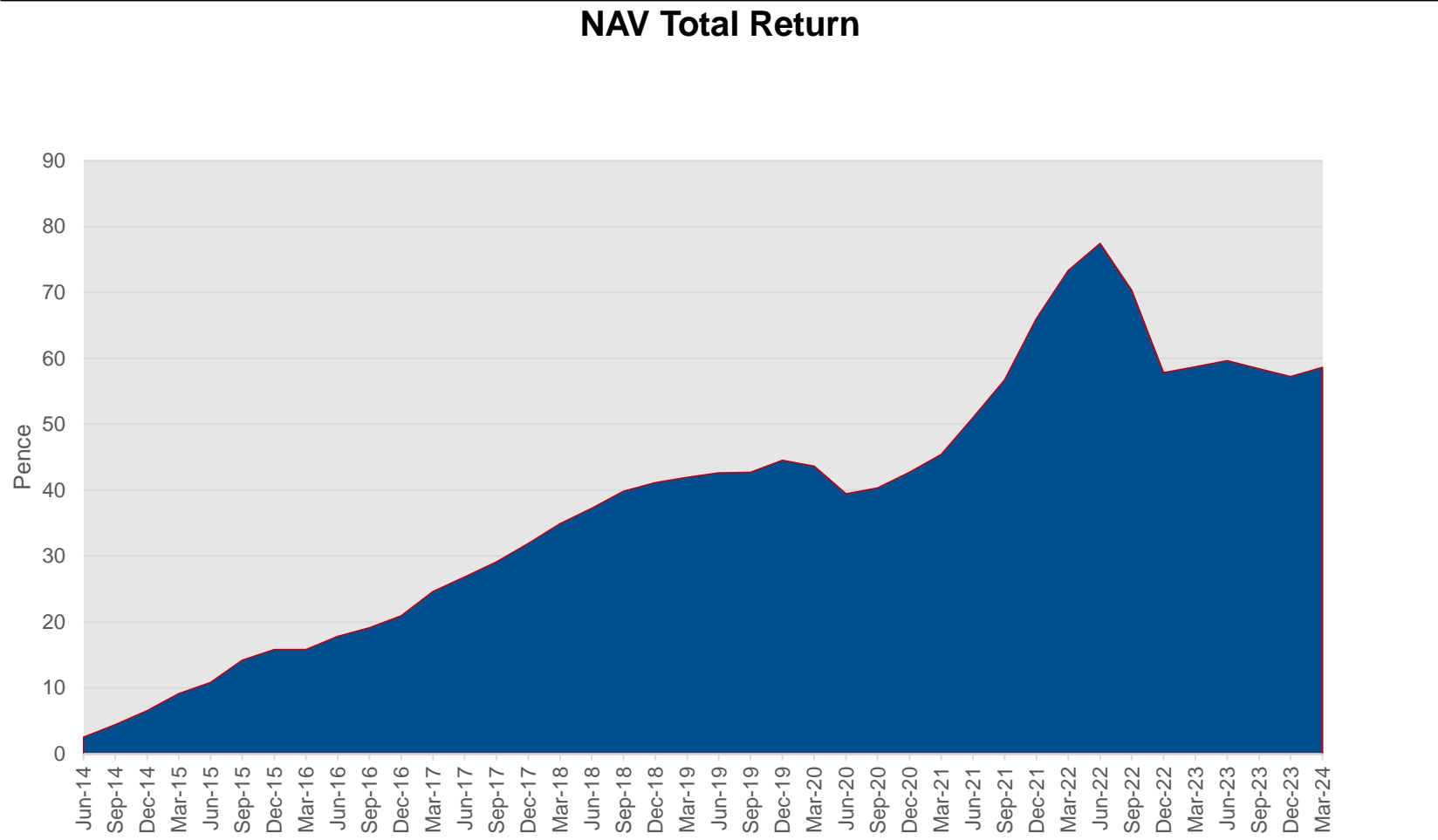
# 10 year Net Asset Value Total Return

INCOME DRIVEN TOTAL RETURN



Average annual NAV total return **5.9% pa**

NAV poised for a recovery supported by rental growth



## Activity in the Quarter

ASSET RECYCLING CONTINUES TO GENERATE AGGREGATE PROCEEDS IN EXCESS OF VALUATION

- SOLD an office building in Derby and industrial units in Weybridge and Milton Keynes for an aggregate **£16.1m, 11% ahead of their 31 December 2023 valuations**



- Since the Quarter end, SOLD a former car showroom in Redhill and an industrial property in Warrington for **£11.3m, 49% ahead of their 31 December 2023 valuations**



- Proceeds of all disposals are being used to reduce variable rate borrowings, which is accretive to earnings

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