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UK Commercial Property Trust Limited

UKCPT forward purchases Maldron Hotel in Newcastle City Centre for £32 million

Disposal of office asset in Aberdeen above valuation

UK Commercial Property Trust Limited (“UKCPT” or the “Company”) (FTSE 250, LSE: UKCM), which is advised by Standard Life Investments and owns a diversified portfolio of high quality income-producing UK commercial property, announces that it has made its first acquisition in the hotel sub-sector having contracted to forward fund the development of a 265 bedroom four-star Maldron Hotel in Newcastle city centre for £32 million, net of finance. The development, which includes an ancillary retail unit, has been pre-let on a long lease to the Dalata Hotel Group Plc (“Dalata”) and is expected to deliver a yield on cost of 5.4%. The deal is structured through an initial upfront payment and interim funding which attracts finance interest at 5% during the construction period, followed by a balancing payment on completion.

Dalata, Ireland’s largest hotel operator and an attractive tenant covenant, has agreed a 35 year lease with five yearly, annually compounded, RPI-linked upward only rent reviews with a cap and collar of 0.5% to 3.5% and no break options.

The hotel, Dalata’s ninth in the UK, will operate under its flagship Maldron brand and is due to complete in the first quarter of 2019, generating an initial passing rent of £1,590,000 per annum. The total scheme, including the retail unit, is expected to generate an initial passing rent of £1,740,000. As a result of this acquisition, the proportion of RPI-linked and long-dated income in UKCPT’s portfolio will increase from 13.3% to 15.2% of income. In addition to this, the portfolio’s Weighted Average Lease Length will extend to 8.7 years, up from 8.3 years.

The hotel, which will also include a conference centre, business meeting rooms and restaurant space, is strategically positioned in the heart of Newcastle city centre. It is located opposite the popular Eldon Square shopping centre and five minutes’ walk from the central train station and forms part of a mixed use scheme being developed by McAleer & Rushe.

UKCPT also announces that it has disposed of one of its smallest assets, a 25,802 sq ft office in Aberdeen for £6.5 million, representing a premium to book value.

Will Fulton, Fund Manager at Standard Life Investments, said: “These transactions demonstrate our continued efforts to increase the portfolio’s exposure to high quality assets with the potential for income and capital growth. As one strand of this strategy we have been assessing opportunities in the alternative sectors as a means to enhance longer-term income and dividend cover. Dalata and its flagship Maldron brand are an exciting, well managed, high quality, competitive hotelier with good Board level experience of operating in the UK hotel market. Its business plan is strong and I believe this hotel will compete well in the Newcastle market - home to leading universities and a

thriving business community - whilst providing a high quality long and increasing income stream at an attractive yield on cost.”

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Notes to Editors

UK Commercial Property Trust

UK Commercial Property Trust aims to provide shareholders with an attractive level of income together with the potential for capital and income growth from investing in and managing a diversified portfolio of high-quality, income producing UK commercial property. The Company is advised by Standard Life Investments and owns an over £1.3bn portfolio, which in 2016 produced £68.6 million of rental income, and is diversified by location and sector across the UK, with a strong bias towards prime, institutional quality properties. UKCPT listed on the Main Market of the London Stock Exchange with a market cap of approximately £1.2 billion and is a closed-ended Guernsey registered investment company.

The Company was formed in September 2006, since when it has consistently delivered above benchmark portfolio returns leading to a NAV total return of 72.3% and share price total return of 75.7%, both considerably in excess of the wider FTSE All-Share REIT index which returned -11.8% over the same period.

Aberdeen Standard Investments is a leading global asset manager dedicated to creating long-term value for our clients, and is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.

For further information on UK Commercial Property Trust, please visit <https://www.ukcpt.co.uk/>.