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UK Commercial Property Trust Limited

UKCPT acquires 61,638 sq ft Sheffield office for £20 million

UK Commercial Property Trust Limited (FTSE 250, LSE: UKCM), which is advised by Standard Life Investments and owns a diversified portfolio of high quality income producing UK commercial property, has acquired a single let, Grade A office building in Sheffield, from Ediston Property Investment Company (plc) for £20,165,000, reflecting a net initial yield of 5%.

The asset is let to Capita Business Services Limited, which is part of Capita plc, on a lease with annual indexed linked rent increases and 22 years to expiry. Delivering a current rent of £1,076,715 per annum, the transaction further increases UKCPT's exposure to long term, secure and growing income streams. Together with the purchase in February of a pre-let distribution warehouse development in Burton upon Trent, let on a 15 year lease with RPI inflation linked rent increases, for £22.2 million reflecting a yield on capital of 5.8% when completed in July 2017, the two acquisitions, at a combined £42.4 million, deliver a blended yield of 5.4%.

Hartshead House, at 2 Cutlers Gate in Sheffield's city centre, is a prominent building comprising 61,638 sq ft of Grade A office space, which fits the Company's strategy of acquiring good quality assets let to strong tenant covenants. The current availability of Grade A office space in Sheffield is limited, with a projection of less than five months' supply in the market.

Will Fulton, Fund Manager at Standard Life Investments, said: "We have undertaken a significant amount of asset management activity during the course of 2017 and our strong focus throughout has been on further improving the income profile of our portfolio. To this end, the new asset in Sheffield meets our current preference for long term, secure and growing rents, while at the same time further enhancing our dividend cover."

ENDS

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