

15 December 2022

LONDONMETRIC PROPERTY PLC
LONDONMETRIC JV ACQUIRES A NNN RETAIL ASSET
IN SOUTH EAST LONDON FOR £38 MILLION

LondonMetric Property Plc ("LondonMetric") has acquired a NNN retail asset from an open ended property fund for £38.0 million through one of its joint ventures (LondonMetric share: £19.0 million). This reflects an initial yield on cost to LondonMetric of 5.4%, rising to 5.7% upon completion of short term asset management initiatives.

The 68,000 sq ft property is located on a five acre site on the Old Kent Road in South East London and is let to B&Q, Pets at Home and Halfords. The site benefits from planning for 1,100 new residential apartments.

Simultaneous with the acquisition, LondonMetric has materially extended the WAULT and increased the annual rent by 54% from £1.4 million to £2.1 million, with 85% of the income subject to contractual rent reviews. Upon settlement of the next reviews and completion of other asset management initiatives, the yield on cost is expected to increase to c.7%.

Following the acquisition, LondonMetric has a 69% equity interest in the joint venture.

The acquisition follows on from LondonMetric's recent sale of a retail park in Tonbridge for £22.0 million at a NIY of 5.2%.

Andrew Jones, Chief Executive of LondonMetric, commented:

"This is an exceptional asset in a prime central London location where the demand for higher value alternative uses more than underpins the purchase price. The simultaneous regears and rental increases demonstrate our strong retailer relationships and high occupier commitment to retain representation in a location where de-retailing is seeing quality retail space lost to alternative uses on an almost unprecedented basis."

LondonMetric was advised by Cortex Partners and Savills advised the vendor.

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About LondonMetric Property Plc

LondonMetric is a FTSE 250 REIT that owns one of the UK's leading listed logistics platforms alongside a grocery-led long income portfolio, with 17 million sq ft under management. It owns and manages desirable real estate that meets occupiers' demands, delivers reliable, repetitive and growing income-led returns and outperforms over the long term. Further information is available at www.londonmetric.com