



STENPROP LIMITED

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(“Stenprop” or the “Company”)

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STENPROP’S MULTI-LET INDUSTRIAL PORTFOLIO PASSES FIVE MILLION SQ FT FOLLOWING £11.1 MILLION DOUBLE ACQUISITION

Stenprop, the UK multi-let industrial (“MLI”) property company, announces that it has acquired two MLI properties, comprising 18 high-quality units, in Glasgow and Stoke-on-Trent. The assets have been purchased in separate transactions for a total consideration of £11.1 million, reflecting a blended net initial yield of 6.5%. Following these acquisitions, Stenprop’s MLI portfolio now totals in excess of five million square feet across 1,343 units on 75 estates, and represents 61% of Stenprop's portfolio, based on asset values at 31 March 2020[^].

The Excelsior Industrial Estate on the south west side of Glasgow was acquired for £5.2 million from CBRE GI. It is located less than one mile from Glasgow City Centre, in a market characterised by a shortage of stock which is underpinning vacancy rates below 5%.

The estate benefits from excellent arterial connectivity, adjacent to the M8 and less than 200 metres from the M74. Comprising ten modern units, nine (93% of space by sq ft) are currently occupied by a diverse range of tenants including trade occupiers and a cash and carry. The estate generates a total annual passing rent of £350,133, equating to an average rent of £6.17 per sq ft.

In a second transaction, Stenprop has purchased Tunstall Trade Park in Tunstall, just outside Stoke-on-Trent, a high quality, modern property of eight units totalling 56,500 sq ft, for £5.9 million, from Clowes Developments. The estate is 100% occupied by a diverse tenant base including trade counters, self-storage and hi-tech manufacturing. The asset has a passing rent of £392,541, equating to an average of rent of £6.95 psf. 100% of rent has been collected since March 2020.

Strategically located within the Ceramic Valley Enterprise Zone, the region is characterised by a shortage of sub-10,000 sq ft industrial units, following strong take up and a lack of new development in recent years. The property benefits from its adjacency to the A50, a major regional arterial axis.

Since the start of the Coronavirus pandemic, Stenprop has made five acquisitions totalling over 470,000 sq ft of MLI property for a combined value of £39.95 million.

Will Lutton, Head of Investment at Stenprop, commented:

“Despite the ongoing macro-economic uncertainty, these two latest acquisitions demonstrate our ability to source attractive investment opportunities, both on and off market, in locations underpinned by favourable demand supply dynamics. Leveraging our local market expertise and strong relationships, the well-let assets enhance the

existing portfolio, whilst also offering reversionary potential that will be realised via our proprietary industrials.co.uk platform.

Julian Carey, Managing Director of Stenprop, added:

“Passing five million square feet of MLI is a major milestone for Stenprop. Having made the strategic decision to transition the portfolio towards 100% UK MLI based on our belief that structural changes taking place in the UK would underpin warehouse occupier demand, we remain steadfast in our belief in the sector’s future prospects and our ability to translate this into attractive shareholder returns.”

This announcement is voluntary and for information purposes only.

^The percentage of MLI assets within the portfolio is expected to rise from 61% to 63% following completion of the sale of the Neucölln Carrée retail park in Berlin, which is expected to occur by no later than 15 January 2021.

For further information:

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About Stenprop:

Stenprop is a UK REIT listed on the LSE and the JSE. The objective of the Company is to deliver sustainable growing income to its investors. Stenprop's investment policy is to invest in a diversified portfolio of UK multi-let industrial (MLI) properties with the strategic goal of becoming the leading MLI business in the UK. For further information, go to www.stenprop.com.