

## PRESS RELEASE

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# AEW UK REIT acquires industrial building in Deeside, North Wales

AEW UK REIT plc (LSE: AEWU) (the “Company”), which owns a diversified portfolio of 30 regional UK commercial property assets, announces the acquisition of a c. 97,000 sq ft single-let industrial building in Deeside, North Wales, for c £4.3 million, reflecting a Net Initial Yield of 7.9% and a capital value of £45 per sq ft.

The asset, which is located within the established Deeside Industrial Park, is fully let to global enterprise Magellan Aerospace, for a term of just under 5 years to break and just under 10 years to expiry. The current passing rent of £3.75 per sq ft is significantly below that seen at other competing centres within the North West, such as in Warrington and Manchester.

Deeside Industrial Park has been established since the 1970s and totals in excess of 600 acres, comprising over 5 million sq ft of industrial and warehouse accommodation attracting a variety of manufacturing and distribution companies. The estate benefits from its close proximity to the national motorway network, being within 5 miles of both the M56 and M53.

Commenting on the deal, Alex Short, the Company’s Portfolio Manager at AEW UK Investment Management LLP, said, “Deeside has seen robust occupational performance over the past 18 months with overall vacancy levels on the estate falling. Occupiers from across the region have seen Deeside as an attractive location due to higher rental levels in competing centres which have also risen sharply. The acquisition pricing also looks attractive as it is well supported by the asset’s underlying vacant possession value which is an important metric for the protection of downside risk.”

## ABOUT AEW UK REIT

AEW UK REIT plc (LSE: AEWU) aims to deliver an attractive total return to shareholders by investing predominantly in smaller commercial properties (typically less than £10 million), on shorter occupational leases, in strong commercial locations across the United Kingdom. The Company was listed on the Official List of the UK Listing Authority and admitted to trading on the Main Market of the London Stock Exchange on 12 May 2015, raising £100.5m. Since IPO it has raised a further £23m.

Since its IPO in May 2015, AEWU has invested a total of £144 million across 31 regional commercial property assets. It is currently invested in office, retail, industrial and leisure assets, with a focus on active asset management, repositioning the properties and improving the quality of the income stream. Whilst occupational demand in strategic locations remains, securing tenants on shorter leases allows AEWU to crystallise value through rent reviews and lease re-gears.

AEWU is currently paying a dividend of 8p per share p.a. and targets a total annual return, over the medium term, in excess of 12% on the IPO issue price, net of all fees.

Real estate investment specialist AEW UK Investment Management LLP is a joint venture between the management team, which together has an average of 25 years of real estate experience, and AEW Europe, which has €19.1 billion of real estate assets under management. AEW UK Investment Management LLP has a strong and expert asset management team, with a proven record of identifying and delivering value from real estate assets across all sectors.

[www.aewukreit.com](http://www.aewukreit.com)

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