

## ACQUISITION OF STATE-OF-THE-ART CAR SHOWROOM

Released : 31 January 2022 7:00

RNS Number : 0648A  
Alternative Income REIT PLC  
31 January 2022

31 January 2022

**Alternative Income REIT PLC**  
("AIRE", the "Company" or the "Group")

### **ACQUISITION OF STATE-OF-THE-ART CAR SHOWROOM IN PRIME LOCATION IN SLOUGH, LET TO VOLVO ON A LONG LEASE WITH INDEXED-LINKED RENTS**

The Board of Directors of Alternative Income REIT PLC (ticker: AIRE), the owner of a diversified portfolio of UK commercial property assets predominantly let on long leases with inflation-linked rent reviews, is pleased to announce that the Company has completed the acquisition of the Volvo car showroom in a prime location on the A4 Bath Road, Slough (the "Asset") for £5 million (net of acquisition costs to the Company), in an off-market transaction. The price reflects a net initial yield of 5.00% and a discount to replacement costs. The Asset has been acquired with a weighted unexpired lease term of over 15 years.

The acquisition of the Asset redeploys the net proceeds from the Group's disposal, announced on 30 November 2021, of its Audi car showroom in Huddersfield for £5.5 million, with a materially longer lease term.

The lease of the Asset, which expires in March 2037, is subject to five-yearly upward only rent reviews linked to RPI. The reviews contain a collar of 1.5% pa and a cap of 3.5% pa. The Asset has a passing rent topped up by the vendor to £270,000 pa (equivalent current ERV pa level) until the next rent review, which is due on 17 March 2022.

The Asset is fully let to Volvo Car UK Limited, which forms part of the Volvo Group, which is ultimately owned by Zhejiang Geely Holdings Group, a Chinese multinational automotive manufacturing company. The property is wholly sub-let and occupied by Endeavour Automotive Limited, which has a strong and established trading track record in a structurally supported sub-sector.

The Asset is in a prime location, a short distance from Slough Trading Estate and just north-west of Slough town centre, and with a prominent frontage onto the Bath Road. Slough is a large London commuter town located approximately 22 miles west of central London with excellent road, rail and airport connectivity, and the town has the UK's highest concentration of headquarters of global companies outside of London. The town occupies a strategic location with excellent road connections, with the M4 running immediately to the south, M25 to the east and M40 to the north. The Asset is situated in an automotive/light industrial cluster that has attracted a number of major occupiers including Alpha Romeo, Fiat, Mini, Mercedes, SEAT and Jeep.

The Asset, constructed in 2016, comprises a total of 14,955 sq ft of purpose-built state-of-the-art dealership space across ground and first floor on the c.1.03 acre site. The Asset benefits from ample car display spaces to the front and side elevations, fenced off spaces for parking, and incorporates rooftop solar PV.

This transaction is the Company's second investment introduced by its Investment Adviser M7 Real Estate Limited ("M7"), following the Company's highly accretive acquisition of Droitwich Spa Retail Park, announced in December 2020.

#### **Alan Sippetts, Chairman of Alternative Income REIT plc, commented:**

"We are pleased to redeploy the net proceeds from the disposal of our Audi car showroom asset in Huddersfield that completed on 1 December 2021 for £5.5 million by acquiring this Asset in a prime location, let to a strong tenant covenant on a long lease with indexed-linked rent reviews. The Asset is expected to further diversify, strengthen and lengthen the profile of the Group's income and provide a robust, resilient, indexed-linked long term income return, which is also expected to benefit from enhanced income and capital growth.

The Board continues to believe firmly that the Group is well positioned given its diversified and fully let portfolio that delivers secure, long-term and indexed-linked income flow, combined with its continuing very strong rent collection, robust balance sheet and modest, well controlled overhead. The Board remains confident that the Company is on track to deliver on its target annual dividend of 5.5 pence per share with full dividend cover expected, all else being equal, by September 2022<sup>1</sup>."

#### **ENQUIRIES**

##### **Alternative Income REIT PLC**

Alan Sippetts - Chairman

via Maitland/AMO below

##### **M7 Real Estate Ltd**

Richard Croft

+44 (0)20 3657 5500

##### **Panmure Gordon (UK) Limited**

Alex Collins  
Tom Scrivens

+44 (0)20 7886 2500

Chloe Ponsonby

**Maitland/AMO (Communications Adviser)**  
James Benjamin

+44(0) 7747 113 930  
james.benjamin@maitland.co.uk

The Company's LEI is 213800MPBIJS12Q88F71.

Further information on Alternative Income REIT plc is available at [www.alternativeincomereit.com](http://www.alternativeincomereit.com)<sup>2</sup>

#### NOTES

Alternative Income REIT PLC aims to generate a sustainable, secure and attractive income return for shareholders from a diversified portfolio of UK property investments, predominately in alternative and specialist sectors. The majority of the assets in the Group's portfolio are let on long leases which contain inflation linked rent review provisions, which help to underpin income distributions to shareholders with the potential for income and capital growth.

The Company's investment adviser is M7 Real Estate Limited ("M7"). M7 is a leading specialist in the pan-European, regional, multi-tenanted real estate market. Majority owned by its senior managers, it has over 200 employees in 14 countries across Europe. The team manages over 835 properties with a value of circa €5.1 billion.

<sup>1</sup> This is a target only and not a profit forecast. There can be no assurance that the target will be met and it should not be taken as an indicator of the Company's expected or actual results.

<sup>2</sup> Neither the content of the Company's website, nor the content on any website accessible from hyperlinks on its website or any other website, is incorporated into, or forms part of, this announcement nor, unless previously published on a Regulatory Information Service, should any such content be relied upon in reaching a decision as to whether or not to acquire, continue to hold, or dispose of, securities in the Company.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [rns@lseg.com](mailto:rns@lseg.com) or visit [www.rns.com](http://www.rns.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

ACQFFELLDIIVIF