

## £2.1M ACQUISITION OF SOUTHAMPTON NURSERY

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AEW UK Long Lease REIT PLC  
21 February 2019

AEW UK Long Lease REIT plc ("AEWL" or "the Group")  
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### £2.1m acquisition of Southampton nursery

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AEW UK Long Lease REIT Plc is pleased to announce the acquisition of a nursery property in central Southampton for £2.1m, reflecting a net initial yield of 5.9%.

The property at 53 Victoria Road, was purchased by way of a sale and leaseback agreement with YMCA Fairthorne Group, a regional operation of the charity YMCA, the world's largest youth charity. The lease arrangements provide the Group with an income stream of 25 years, from completion of the acquisition, which will increase annually in line with the Consumer Price Index. The 8,097 sq ft property comprises a modern, purpose-built nursery facility forming part of the Centenary Quay development, which has seen the addition of some 1,500 new homes since 2012.

The property is leased to AEWL on a 250-year lease from July 2010 at a peppercorn rent.

The acquisition is the second this year for AEWL using proceeds from its recently extended debt facility with Canada Life.

**Alex Short, Director of AEW UK Investment Management LLP, and Portfolio Manager of the Company commented:** *"This latest acquisition provides AEWL with exposure to a growing sector of the commercial property market and improved diversification. The income stream provided by this asset, secured against this long running, well known charity, looks particularly attractive considering the high net initial yield which will be accretive to our dividend. Annual rental uplifts in line with the Consumer Price Index will provide regular income growth to our investors".*

### About AEW UK Long Lease REIT

AEW UK Long Lease REIT plc (LSE: AEWL) aims to generate a sustainable, secure and predictable income return, whilst at least maintaining capital values in real terms, by investing in a diversified portfolio of UK properties, with an attractive entry yield, predominately in alternative and specialist sectors. It will invest in a diverse range of sectors that are underrepresented in institutional portfolios including leisure, healthcare, education, hotels, student accommodation, supported living and automotive. At least 85% of the gross passing rent from the portfolio's leases will contain inflation linked rent reviews, and average initial unexpired leases in excess of 18 years at the time of investment.

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

### About AEW UK Investment Management LLP

AEW UK Investment Management LLP employs a well-resourced team comprising 23 individuals covering investment, asset management, operations and strategy. It is part of AEW Group, one of the world's largest real estate managers, with just over €63.5bn of assets under management as at 30 September 2018. AEW Group comprises AEW SA and AEW Capital Management L.P., a U.S. registered investment manager and their respective subsidiaries. In Europe, as at 30 September 2018, AEW Group managed nearly €30bn in value in properties of all types, with close to 400 staff located in 9 offices. The Investment Manager is a 50:50 joint venture between the principals of the Investment Manager and AEW.

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

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