



*This Announcement contains Inside Information as defined under the Market Abuse Regulation (EU) No. 596/2014.*

**5 February 2018**

**Warehouse REIT plc**  
**(the 'Company' or 'Warehouse REIT')**

**WAREHOUSE REIT ACQUIRES UK MULTI-LET URBAN WAREHOUSE PORTFOLIO FOR £116 MILLION**

***- Transaction sees IPO proceeds fully deployed, and increases portfolio to over £279 million -***

Warehouse REIT, the AIM-listed specialist warehouse investor, announces that it has exchanged unconditional contracts to acquire from Hansteen Holdings PLC its Industrial Multi Property Trust portfolio, comprising 51 assets, the majority being multi-let UK urban warehouses, for £116 million. The acquisition is in line with the Company's strategy and concludes the successful deployment of all funds raised by the Company at IPO in September 2017, significantly ahead of plan, and brings the total property acquisitions to date to £279 million.

The 51 warehouse properties provide over 500 leasable units delivering a total floor area of approximately 1.65 million sq ft, the majority of which are located in the Midlands and South of England. Approximately 93% of the floor area is invested in light industrial property with the 7% balance representing other workspace and offices. The current contracted rent roll is c.£8.5 million per annum (current passing £8.26m) from 382 distinct tenants. The portfolio is being acquired with an occupancy rate of 92% at an average contracted rent of £5.66 psf and a WAULT of 3.9 years.

Complementing Warehouse REIT's strategic focus, the assets are located in established commercial locations, close to urban centres, major motorways or trunk roads. Furthermore, in acquiring a portfolio located predominately in the Midlands and South, the Company's overall portfolio is now more evenly spread across the UK with 29% in the Midlands, 29% in the South East, 27% in the North of England, 13% in Scotland and 2% in Wales.

The acquisition will be funded from existing cash resources and enlarged debt facilities of £135 million (previously £65 million), secured with HSBC. HSBC has increased the Company's current revolving credit facility from £35 million to £105 million, for the same duration of five-years but at a reduced coupon of 2.25% above LIBOR (previously 2.40% above LIBOR). This enlarged facility is on the same terms as the existing £30 million fixed term loan with HSBC.

**Commenting on the transaction, Neil Kirton, Non-Executive Chairman of Warehouse REIT, said:**

"This acquisition provides us with a meaningful portfolio of good-quality and well-located assets that are perfectly aligned with Warehouse REIT's investment strategy. The portfolio is well known to management who have tracked it for some time and we are pleased to now be in a position to take ownership of it. The acquisition also allows the Company to deliver on its business plan ahead of target, ensuring that for the year ending March 2019 the Company continues to expect to pay a dividend of 5.5p covered by earnings. The new assets weight the geographical spread of the overall portfolio towards the UK Midlands and South – areas that are expected to experience strong rental growth driven by high demand, while the near-term opportunity to grow the portfolio's income presents a compelling proposition.



“In a competitive market environment, our ability, working with Savills, to secure this unique off-market investment opportunity is a clear illustration of the deal sourcing abilities of our experienced and well-connected management team and we are confident in realising the benefits of the acquired portfolio both in the short and longer term. With the IPO proceeds now fully deployed we will turn our focus to actively enhancing the value of assets under management, whilst continuing to review options to capitalise on our pipeline of further investment opportunities.”

**-ENDS-**

**Enquiries:**

**Warehouse REIT plc**

via FTI Consulting

**Tilstone Partners Limited**

+44 (0) 1244 470 090

Andrew Bird, Paul Makin

**Savills (Property Advisor)**

+44 (0) 20 7499 8644

Simon Hope / Peter Cooper-Parry

**G10 Capital Limited (part of the Lawson Conner Group),**

+44 (0) 20 3696 1302

**acting as AIFM**

Agnese Soldane, Gerhard Grueter

**Peel Hunt (Financial Adviser, Nominated Adviser and Broker)**

+44 (0)20 7418 8900

Capel Irwin, Edward Fox

**FTI Consulting (Financial PR & IR Adviser to the Company)**

+44 (0) 20 3727 1000

Dido Laurimore, Ellie Sweeney, Richard Gotla

Further information on Warehouse REIT is available on its website:

<http://www.warehousereitplc.co.uk>

**Notes to editors:**

Warehouse REIT announced the results of its IPO on 15 September, having raised gross proceeds of £150 million (£146.8 million net) to invest in a diversified portfolio of UK warehouse assets located in urban areas.



Occupier demand for urban warehouse space is increasing as the structural growth in e-commerce has driven the rise in internet shopping and investment by retailers in the “last mile” delivery sector. The urban warehouse sector offers one of, if not the highest, initial yield of all UK property sectors.

The Company is an alternative investment fund (“AIF”) for the purposes of the AIFM Directive and as such is required to have an investment manager who is duly authorised to undertake the role of an alternative investment fund manager. The Investment Manager is currently G10 Capital Limited, whose role will pass to Tilstone Partners Limited (“TPL”), on receipt of FCA approval.