

Highcroft Investments PLC

1st May 2019



Property Acquisition

The Board is pleased to announce that Highcroft Investments PLC has today completed on the purchase of the freehold interest of a gym and retail warehouse investment in Ipswich for £4,650,000, representing a net yield of 7.04%. This acquisition was funded from existing debt facilities.

The property, acquired from Huron Properties Limited, comprises two detached buildings totalling 43,738 sq ft, occupying a site of approximately 3.1 acres, consisting of a gym with swimming pool let to Dave Whelan Sports Ltd until September 2035 and a motorcycle showroom let to Orwell Motorcycles Ltd until September 2026. The total income is £347,557 per annum which rises, by way of a fixed increase, to £386,769 per annum in September 2020. There are further fixed increases in 2021, 2025 and 2030.

Commenting on the acquisition, chief executive Simon Gill said: 'This investment provides a good long-term income stream with fixed increases throughout the term. It provides an attractive yield for our shareholders of over 7%, which is due to increase to a minimum of 7.83% in September next year. The gym services a large residential development which adjoins the subject site, as well as other areas of the town. We continue to look for other commercial investments with long-term income streams and prospects for future enhancement.'

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