

Press Release

28 September 2018

TRITAX BIG BOX

FORWARD FUNDED DEVELOPMENT OF A NEW LOGISTICS FACILITY AT HAYDOCK, ST HELENS, MERSEYSIDE FOR £68.7 MILLION PRE-LET TO WORLD LEADING RETAILER



The Board of Tritax Big Box REIT plc (ticker: BBOX) is pleased to announce that the Company has exchanged contracts, conditional on full planning consent, for the forward funded development of a new logistics sortation centre at Haydock, St Helens, Merseyside, pre-let to a financially robust world leading retailer. The price represents a maximum commitment of £68.7 million, reflecting a net initial yield of 4.9% (net of acquisition costs to the Company), rising to 5.4% at the first rent review in 2024⁽¹⁾.

The development will comprise a facility with docking to three sides, 360-degree circulation, an eaves height of 12 metres and service yards on three sides with 67 metre depths which is wider than the standard institutional specification to improve operational efficiency and HGV circulation. The new prime facility will be constructed to a high specification with a gross internal floor area of c.361,062 sq ft and low site cover of 24% compared to a standard logistics site cover of between 45/50%. The regular configuration of the site could therefore accommodate a building in total of c.700,000 sq ft at a more standard 45/50% site cover.

The site is located in an established logistics area and adjoining the Haydock Industrial Estate, with excellent road connectivity directly onto the A580 which provides an East-West link between Manchester and Liverpool and J23 of the M6 motorway. As such, the location benefits from close proximity to the deep-water container port, Liverpool2, and to Manchester Airport. Haydock has a catchment population of c.2.5 million people within a 30-minute drive, providing a large workforce to draw from, which underpins the longevity of the area as an established UK distribution location.

Upon practical completion of the construction (“PC”), the property will be leased on a new 15-year lease, subject to five yearly upward only rent reviews indexed to the Consumer Price Index (collared at 1% pa and capped at 3% pa). The first rent review is targeted for September 2024. From completion of the land purchase and during the construction phase to the target date of PC, the Company will receive an income return equivalent to the agreed rent from the developer.

The development is being undertaken by Bericote, a highly experienced developer of UK industrial logistics property which the Company has an established track record of working with previously.

DTRE represented the Company.

Colin Godfrey, Partner of Tritax, commented:

"We worked very closely with the Customer and Bericote to deliver this off-market pre-let development, which provides the Company with further exposure to a market leading occupier. Once operational, the building will represent one of the most advanced sortation buildings in the UK on a site with very low site cover, whilst further diversifying the Company's portfolio by geography in an established logistics hub with strong labour supply."

(1) Based on the average of independent forecasts published by HM Treasury to 2022 and the Bank of England inflation target of 2% pa thereafter.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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NOTES:

Tritax Big Box REIT plc is the only listed vehicle dedicated to investing in very large logistics warehouse assets ("**Big Boxes**") in the UK and is committed to delivering attractive and sustainable returns for shareholders. Investing in and actively managing existing built investments, land suitable for Big Box development and pre-let forward funded developments, the Company focuses on well-located, modern "Big Box" logistics assets, typically greater than 500,000 sq. ft. (measured by floor area, c. 67% of the Company's existing logistics facilities including forward funded developments are in excess of 500,000 sq ft), let to institutional-grade tenants on long-term leases (typically at least 12 years in length) with upward-only rent reviews and geographic and tenant diversification throughout the UK. The Company seeks to exploit the significant opportunity in this sub-sector of the UK logistics market owing to strong tenant demand and limited supply of Big Boxes.

The Company is a real estate investment trust to which Part 12 of the UK Corporation Tax Act 2010 applies ("**REIT**"), is listed on the premium segment of the Official List of the UK Financial Conduct Authority and is a constituent of the FTSE 250, FTSE EPRA/NAREIT and MSCI indices.

Further information on Tritax Big Box REIT is available at www.tritaxbigbox.co.uk