

UK Commercial Property REIT Limited

UKCP REIT acquires the White Building in Reading for c. £51 million and disposes of Bristol office for £27.6 million

Thursday, 5 July 2018: UK Commercial Property REIT Limited (“UKCP REIT” or the “Company”) (FTSE 250, LSE: UKCM), which is managed and advised by Aberdeen Standard Investments and owns a diversified portfolio of high quality income-producing UK commercial property, announces the acquisition of the White Building, a multi-let office asset on King’s Road in Reading, from Boulton Brooks Real Estate (“BBRE”) in partnership with a client of CBRE Global Investors for around £51 million, based upon a topped up net initial yield of 5.75%. The acquisition is being funded through existing cash resources.

The eight-storey property, which reached practical completion after a comprehensive refurbishment in 2017, comprises 95,903 sq ft with a modern reception area, communal roof terrace and flexible and virtually column-free floors with new floor to ceiling glazing. The asset, which is 82% let to nine tenants, has a weighted average unexpired lease term of five years to break and is expected to deliver an annual rental income of around £3.0 million once fully let. It has attracted a strong occupier mix, including international cybersecurity company Carbon Black, financial management and human capital management software business, Workday, international pharma company Pharma Cosmos, and flexible office provider Work.Life.

Located in Reading town centre, the White Building has excellent transport connections and is approximately six minutes’ walk from Reading Station where the Elizabeth Line is due to open in 2019, considerably improving journey times into Central London. It is also three minutes’ walk to Reading’s main retail destination, The Oracle. The asset, which has a BREAAAM ‘excellent’ rating, has 106 car parking spaces and 39 secure cycle spaces. Long considered a technology hub, Reading continues to have strong affinity with innovation and research and is regarded as the ‘capital’ of the Thames Valley due to its excellent road and rail links, and highly skilled workforce. The town has recently benefited from substantial inward investment, focusing on improvements to the local transport infrastructure, which has provided the foundation for future economic growth and significant improvement to the built environment.

UKCP REIT also announces the disposal of 1 Rivergate, an office building on Temple Quay in Bristol city centre, to West Midlands Pension Fund for £27.6 million, reduced to £26.6 million net allowing for a rental top up. The net price is ahead of the 31 March valuation. 1 Rivergate is entirely let to OVO Energy Limited, the UK’s largest independent energy technology company and supplier, on a lease that expires between April 2023 and April 2026. The asset, which was developed in 2002, comprises 69,754 sq ft over five floors.

Will Fulton, Lead Manager of UKCP REIT at Aberdeen Standard Investments, said: “The acquisition of the White Building in Reading, which is effectively a new office and has proven enormously popular amongst tenants, is in line with our strategy to acquire prime assets with an earnings focus; we fully expect that the property will continue to benefit from the wider infrastructure investment being undertaken in Reading, most significantly the Elizabeth Line links to central London and improvements

to the public realm. Whilst the Elizabeth Line continues to be an attraction for a diverse range of occupiers, the ongoing evolution of Reading as a technology cluster remains the mainstay of activity and, we believe, positions the town well for the future. Rivergate in Bristol is a good location and, for that reason, we have retained our neighbouring property at 2 Rivergate; however, having successfully executed our asset management strategy at 1 Rivergate by securing OVO Energy on a new lease, we took the decision to sell 1 Rivergate to crystallise value for our shareholders and remove the potential for capital expenditure at the end of OVO's lease, whilst further diversifying our portfolio and recycling capital into our strong pipeline of investment opportunities."

Clive Brooks, Managing Director of BBRE, said: "The sale of the White Building to UKCP REIT concludes one of our most exciting office refurbishment projects to date and we are very pleased with the completed building. In 2014 we took the bold step to acquire the vacant and dilapidated Kings House out of Receivership and in conjunction with our partners at CBRE Global Investors, we created an exciting workspace with exposed services that has set itself apart from other office buildings in Reading. The completed product has been extremely well received by agents and occupiers alike and that is a credit to our architect, SPPARC and the rest of our development team."

Ian Wilson, Senior UK Fund Director at CBRE Global Investors, said: "The White Building, Reading is an excellent example of our strategy to achieve enhanced returns for our client by investing in high quality accommodation meeting modern occupier demands in supply constrained markets. The quality of the refurbishment delivered in partnership with BBRE has enabled us to create an exemplary office building with wide occupier and investor appeal. We are very pleased to have completed our business plan with the sale of the asset to UKCP REIT."

UKCP REIT was advised by Knight Frank on the acquisition of the White Building and by Colliers on the disposal of 1 Rivergate. Boulton Brooks Real Estate and CBRE Global Investors were advised on the disposal by BBRE's retained portfolio investment adviser, Aurum Real Estate Partners Limited.

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Notes to Editors - UK Commercial Property REIT

UK Commercial Property REIT is a FTSE 250 Real Estate Investment Trust listed on the London Stock Exchange. It aims to provide shareholders with an attractive level of income together with the potential for capital and income growth from investing in and managing a £1.364bn (as at 31 March 2018, Q1 Company NAV statement) diversified portfolio of high-quality, income producing UK commercial property which generated rental income of £69.8 million in 2017 (Company Annual Report & Accounts). The portfolio has a strong bias towards prime, institutional quality properties and is diversified by location and sector across the UK.

*Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments. The Company is managed and advised by Standard Life Investments (Corporate Funds) Limited (the Company's appointed AIFM). Will Fulton, a qualified Chartered Surveyor with 30 years of experience in the industry, has been Lead Manager since April 2015. Investors should refer to the Key Information Document prior to making an investment decision. Further information on the Company's investment policies, the types of assets in which the Company may invest, the markets in which it invests, borrowing limits as well as details of its management, administration and depositary arrangements can be found in the Company's Annual Report and Investor Disclosure Document. The above documents are available on the Company's website www.UKCPREIT.com. Paper copies of these documents are available on request, free of charge, via the contact details outlined on the website.

Property is a relatively illiquid asset class, the valuation of which is a matter of opinion. There is no recognised market for property and there can be delays in realising the value of property assets. Investors should be aware that past performance is not a guide to future results. The value of investments, and the income from them, can go down as well as up, and an investor may get back less than the amount invested.

For further information on UK Commercial Property REIT, please visit www.UKCPREIT.com.