

17th May 2021

AEW UK Core Property Fund asset management transactions deliver strong returns

AEW UK Core Property Fund (AEW) is pleased to announce the sale of two industrial properties for a total of £9.4m in Batley, West Yorkshire, and Newbridge, Edinburgh. The sales are the culmination of the long-term business plans for each site. AEW Core has also made an acquisition of a prime retail location in Bristol city centre for £2.32m and has secured planning permission to develop industrial units in Grazebrook, Dudley, West Midlands.

AEW has sold Batley 111, a single-let industrial unit located nearby in Batley, West Yorkshire, which AEW acquired in May 2017 and has sold to a local investor for £5m, at a significant premium to both recent valuations and its purchase price, returning a 21% IRR for the fund. The 111,965 sq ft site had been let fully to Puma, the long-term tenant. Puma will shortly vacate the site with the new owner becoming the sole occupier of the building.

AEW has also sold a small industrial unit at Lochend Industrial Estate in Newbridge, Edinburgh for £4.4m, equating to £85 per sq ft for the 51,671 sq ft site. Purchased in April 2013 for £1.5m, the single let industrial unit is let to a strong covenant, with a recently regeared lease providing an attractive income profile for the purchaser. The disposal follows the completion of a long-term business plan.

In addition to these property disposals, AEW has acquired 29-31 The Horsefair and 6-10 St James Barton, two retail sites in the heart of Bristol city centre, for £2.32m. The assets, which total 16,299 sq ft in size, neighbour additional retail sites currently owned by the fund and are fully let to five occupiers, all consumer-facing retail and leisure businesses.

AEW has also recently secured planning permission to develop 107,700 sq ft of new industrial units at its site in Grazebrook, Dudley, West Midlands. The multi-let industrial site will see up to 8 new units varying in size from 3,600 sq ft up to 43,100 sq ft across four buildings developed alongside existing ones, which are income producing. Construction is expected to begin mid-2021 with a build period of nine to twelve months. The wider Grazebrook Industrial Estate was purchased by AEW in 2018 and is well placed to take advantage of occupier demand in a traditional centre for heavy industrial manufacturing in the West Midlands.

Michael Shears, Executive Director at AEW, said *“We are pleased to have sold two of AEW Core’s properties in line with our target returns. The disposals are the culmination of our diligent asset management strategy that has been successfully executed for each asset.*

We are also pleased to have purchased two assets in Bristol city centre. These retail locations are ideally situated in the heart of Bristol, offering excellent potential for value accretion. An example of our active asset management strategy is the planning permission we have now secured for our asset at Grazebrook Industrial Estate to develop new units. Once completed, this will in turn increase the available sites for letting, the potential rental income produced by the site and its overall value.”

-ENDS-

Notes to editors

AEW

AEW is one of the world's largest real estate asset managers, with €69.8bn of assets under management as at 31 December 2020. AEW has over 700 employees, with its main offices located in Boston, London, Paris and Hong Kong and offers a wide range of real estate investment products including comingled funds, separate accounts and securities mandates across the full spectrum of investment strategies. AEW represents the real estate asset management platform of Natixis Investment Managers, one of the largest asset managers in the world.

As at 31 December 2020, AEW managed €34.6bn of real estate assets in Europe on behalf of a number of funds and separate accounts. AEW has over 400 employees based in 9 offices across Europe and has a long track record of successfully implementing Core, Value-Add and Opportunistic investment strategies on behalf of its clients. In the last five years, AEW has invested and divested a total volume of €23.9bn of real estate across European markets.

www.aew.com

AEW UK Investment Management LLP

AEW UK Investment Management LLP employs a well-resourced team comprising 26 individuals covering investment, asset management, operations and strategy. It is part of AEW Group, one of the world's largest real estate managers, with €69.8bn of assets under management as at 31 December 2020. AEW has over 700 employees, with its main offices located in Boston, London, Paris and Hong Kong and offers a wide range of real estate investment products including comingled funds, separate accounts and securities mandates across the full spectrum of investment strategies. The Investment Manager is a 50:50 joint venture between the principals of the Investment Manager and AEW. In May 2019, AEW UK Investment Management LLP was awarded Property Manager of the Year at the Pensions and Investment Provider Awards. www.aewuk.co.uk

AEW UK Core Property Fund

AEW UK Core Property Fund aims to provide investors with exposure to a diversified, multisector portfolio of commercial property assets throughout the UK. The Fund seeks to achieve superior investment returns through relatively high income returns, strong stock selection and active management of all assets. As at 31 December 2020, the Fund had a NAV of £275.3m.

AEW UK Core Property Fund won the MSCI 2020 best performing unlisted pooled balanced fund with end-period capital value under or equal to £1.5bn for the UK. It had the highest total return annualised over three years to December 2019. www.aewuk.co.uk

Disclaimer

This communication cannot be relied upon as the basis on which to make a decision to invest in the Company. This communication does not constitute an invitation or inducement to subscribe to any particular investment.

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