**Clipstone’s Chessington Projects wins IAS Deal of the Year**

Clipstone Industrial REIT plc, the London and South East industrial fund listed on The International Stock Exchange, is pleased to announce its Chessington redevelopment project has won the Industrial Agents Society (IAS) Deal of the Year (under 50,000 square feet).

Clipstone acquired the 1980’s single let property on Oakcroft Road, Chessington in June 2017. Whilst there was a lease in place, the tenant was not in occupation of the 19,016 sq ft unit. The plan was to redevelop a modern, sustainable building, more suited to current occupier demands.

Early in the design process Master Removers Group expressed an interest in the site. They had very specific design requirements which resulted in both parties needing to develop a close working relationship.

As with many modern occupiers, Master Removers were focussed on maximising cubic capacity within the building. To meet this objective, the design incorporated a curved roof and differentiated eaves heights to the front and rear. The eaves height at the front of the unit is 13.5m.

An agreement for lease with Master Removers was exchanged in March 2019 for a term of 20 years (with no breaks). Planning permission was received in November 2019 and work commenced on site in February 2020.

The development on a brownfield site involved demolishing the original industrial building with an EPC of D. The new development has an EPC rating of A, and BREEAM rating of Very Good. Sustainable measures include installing photovoltaic panels and electric vehicle charging points, decontamination works and the introduction of a tree screen to the rear of the property.

Practical completion was achieved in August and subsequent lease completion to Master Removers Group Limited marks the culmination of a three year business plan which involved the purchase of the existing 1980’s building, settling a rent review, agreeing a dilapidations and surrender settlement with the outgoing tenant.

Despite the disruption caused by COVID-19, practical competition was achieved ahead of schedule and on budget.

The development generated a profit on cost of 18% and development yield of 6.50%. The rent achieved is a 112% premium over the rent on acquisition and a 77% premium over the rent secured at the rent review agreed in 2018.

Master Removers are one of the UK’s leading storage and removal firms and operate under a number of brands, including Anthony Ward Thomas and Aussie Man and Van. In 2019 Master Removers entered the London Stock Exchange’s top 1000 SME’s.

Toby Dean, Chief Executive of Clipstone Investment Management, commented:

“Clipstone is thrilled to have won the IAS award for Chessington. Completion of this three-year asset management project marks an important milestone for the REIT. The project highlights Clipstone’s deal sourcing and asset management strengths in the South East industrial market. Furthermore, the redevelopment of a brownfield site and creating a BREEAM Very Good building with an EPC rating of A underlines Clipstone’s commitment to improving the sustainability of its portfolio.”

“Following completion of Chessington and with further acquisitions anticipated, the fund will have, for the first time, 50% of its portfolio located in the London and M25 region. With a low LTV of 23.8%, we believe the fund will be able to withstand any market turbulence and the high exposure to London industrials should lead to enhanced returns for our investors, both during the current uncertainty and should markets improve.”

ENQUIRIES

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***About Clipstone Industrial REIT plc***

*Clipstone Investment Management Limited is a real estate fund management firm specialising in UK industrial property.*

*Clipstone Industrial REIT plc (“the REIT”) is a real estate fund listed on The International Stock Exchange. The REIT concentrates its operations exclusively on the London and South East sector where management expect enhanced returns. As at 30 June 2020 the REIT owned 40 industrial properties with 213 tenants and a gross value of £230.1m. All the properties are in the South of the UK, 96.9% are in the South East and 47.4% in the London / M25 region. The REIT’s loan-to-value (property values vs total debt) is 23.5%.*

*Clipstone also run a number of segregated account mandates. For further information see:* [*www.clipstone.co.uk*](http://www.clipstone.co.uk)*.*

*October 2020*