Supermarket Income REIT PLC - SUPR ACQUISITION OF A SUPERMARKET & NEW LOAN FACILITY
Released 07:00 19-Jul-2018

RNS Number : 0897V
Supermarket Income REIT PLC
19 July 2018

SUPERMARKET INCOME REIT PLC

(the "Company")

LEI: 2138007FOINJKAM7L537

ACQUISITION OF A MORRISONS' SUPERMARKET AND NEW LOAN FACILITY

Supermarket Income REIT (LSE: SUPR), the UK supermarket real estate investor, announces that it has acquired a Morrisons' supermarket in Sheffield from Opus North for £51.7 million (excluding acquisition costs), reflecting a net initial yield of 4.9%.

The supermarket is located on an 8.4-acre site in the historic and prominent Hillsborough Barracks. It comprises a 113,000 sq ft Morrisons' supermarket, approximately 860 parking spaces and a 12-pump petrol filling station.

It is being acquired with an unexpired lease term of 21 years with five-yearly, upward-only, RPI-linked rent reviews compounded annually (subject to cap and floor). The next rent review is scheduled for October 2019.

The Company has also arranged a new five-year, interest-only loan facility with Bayerische Landesbank. The £52.1 million facility has a margin of 125 basis points above three-month LIBOR and is secured against the new Morrisons' supermarket in Sheffield and the Sainsbury's supermarket in Ashford.

The Company invests in the future model of grocery, acquiring supermarkets that operate both as physical supermarkets and as online fulfilment centres. It now owns and manages six of these "omnichannel" supermarkets, which are let to three of the largest UK supermarket operators, Tesco, Sainsbury's and Morrisons.

Ben Green, Director of Atrato Capital, the Investment Advisor to Supermarket Income REIT, said:

"This Morrisons' supermarket is an excellent addition to our growing portfolio. The property benefits from strong fundamentals, attractive lease terms and provides further tenant diversification. This purchase completes our asset acquisition plan, which we set out at the time of our £65 million capital raise in May.

"We are also delighted to have secured Bayerische Landesbank as a lender to the Company. Our new facility provides us with very competitively-priced, five-year funding".

For further information, please contact:

Atrato Capital Limited +44 (0)20 3790 8087

Ben Green

Steve Windsor

Steve Noble

Stifel Nicolaus Europe Limited +44 (0)20 7710 7600

Mark Young

Neil Winward

Tom Yeadon

Tavistock +44 (0)20 7920 3150

Jeremy Carey

James Whitmore

James Verstringhe