Highcroft Investments PLC

26 June 2018

Property Acquisition

The Board is pleased to announce that Highcroft Investments PLC has today exchanged on the purchase of the freehold interest of a health and fitness club investment in Birmingham. Completion of the transaction is expected to take place on 23rd July 2018.

The property comprises a purpose built health and fitness club, with swimming pool, of approximately 37,500 sq ft, on a 3 acre site. It is operated by Nuffield Health on a lease expiring in October 2024 producing an income of £365,867 per annum. The purchase price was £4,925,000 which represents a net yield of 7.0%. The property was acquired from BAE Systems Pension Funds Trustees Limited. The acquisition was made from existing cash reserves and supplemented by the sale of some equity investments. After this acquisition the LTV of the business will be 24%.

Commenting on the acquisition chief executive Simon Gill said: 'Within a month of selling our investments in Cirencester and Marylebone, London W1 we are pleased to reinvest the proceeds into this attractive investment which occupies a large site in an area of Birmingham which is expected to witness further development. This is our first acquisition in this sector of the property market and accords with our stated objectives of selling our last residential asset, increasing our average lot size and reducing our holdings on the high street.'

For further information contact:

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