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Mayfair Capital's Property Income Trust for Charities increases its exposure to logistics

Mayfair Capital's Property Income Trust for Charities (PITCH), the top-performing charitable property fund in the MSCI/AREF All Balanced Property Fund Index over five years, has acquired a 108,000 sq ft logistics property in Stoke-on-Trent for £10.29m, reflecting 5.10% Net Initial Yield assuming standard purchase costs. M1 Agency advised Mayfair Capital and Avison Young advised LaSalle Investment Management.

This acquisition brings PITCH's allocation to the **logistics sector** – currently the best performing segment in the real estate market – to 40%. Unit DC2, Sideway Park, Stoke-on-Trent comprises a well specified distribution warehouse built in 2018.

The property has **strong sustainability credentials**, receiving a BREEAM certification of "Excellent" and EPC of A. The building has a rainwater harvesting system and is 80% carbon neutral, with LED lighting throughout. This ensures the buildings' alignment with Mayfair Capital's integrated environmental policy.

This acquisition enhances PITCH's ability to provide long-term, **sustainable and growing income** for charity clients. The building is let to the fast growing transport and logistics company Simarco, for an unexpired lease term of 9.3 years. The lease benefits from a fixed uplift in five years' time equivalent to 2.1% pa, ensuring guaranteed real income growth.

The property also offers attractive, long term **rental growth prospects**. The current rent of £5.16 per sq ft stands at a discount to prime rents in the West Midlands – currently at in excess £6.50 per sq ft. There is a limited supply of quality warehouse space in Stoke and very little new space of this size in the pipeline, due to land supply constraints – thus increasing the likelihood of rental increases.

Mayfair Capital's **thematic approach to investing** looks to capitalise on long-term structural changes in the economy to identify long term drivers of occupational demand. As traditional UK manufacturing and production sectors are expected to decline, due to structural changes accelerated by the pandemic and Brexit, we expect logistics operators to be increasingly attracted to areas of strong, cost-effective labour supply such as Stoke. As occupiers become increasingly discerning on asset quality, specification and sustainability factors, we expect buildings such as this to continue to generate a resilient and sustainable cash flow to investors.

Simon Martindale, fund manager of the Property Income Trust for Charities, says: *"Take up in UK logistics sector in 2020 looks set to be the best year on record boosted by Covid-19-related demand due to an acceleration in online consumer spending. While logistics investment activity slowed during the Covid-19 lockdown, valuations and rent collection levels in the sector have remained resilient."*

"We are pleased to have secured this high quality warehouse at a time of reduced market activity taking advantage of the Fund's strong cash weighting and our continued ability to source premium investment opportunities that are aligned with our key investment themes. We expect this asset to generate attractive long term returns and contribute positively to the Fund's existing ESG credentials".

ENDS

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Notes to Editors:

The Property Income Trust for Charities (PITCH)

PITCH helps over 1,350 charities to invest in property in an ethical, responsible and tax-efficient way. The Fund at £653m AUM, provides an annual distribution yield of 4.8% to investors and is the best performing specialist property Fund for charities over 5 years¹ (as at 30 Sept. 2020, source MSCI/AREF¹).

www.Pitch-fund.co.uk

Mayfair Capital Investment Management Limited (MCIM)

MCIM is a UK real estate investment management business and a member of Swiss Life Asset Managers.

Founded in 2002 and headquartered in London, Mayfair Capital is authorised and regulated by the FCA.

Mayfair Capital serves a diverse client base, through its discretionary and advisory funds, which include The Property Income Trust for Charities, Mayfair Capital Property Unit Trust, Mayfair Capital Commercial Property Trust, Mayfair Capital Residential 2, Mayfair Capital UK Thematic Growth Fund and Cadogan Income Properties. As a Member of Swiss Life Asset Managers, MCIM is the UK real estate investment manager investing for Swiss Life's diversified pan-European Funds.

www.mayfaircapital.co.uk