

industrials REIT

Trading Update presentation

Quarter ended
31st December 2022
Industrials REIT FY23 Q3



Agenda

- 01 Multi-let Industrial Operational Performance
- 02 Regional Performance Review
- 03 Investment Market Update
- 04 Looking Forward and Closing Remarks

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01

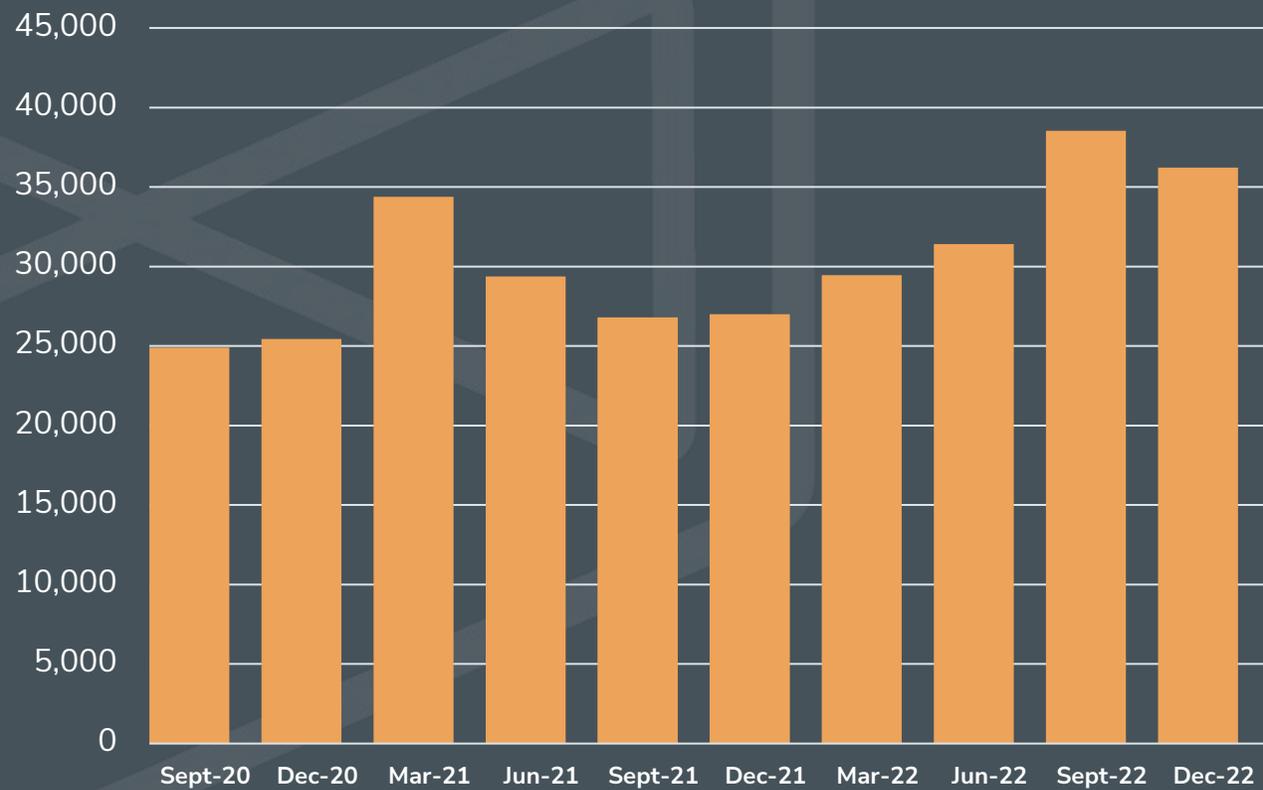
Multi-Let Industrial Operational Performance



Improvements in enquiry quality and conversion rates

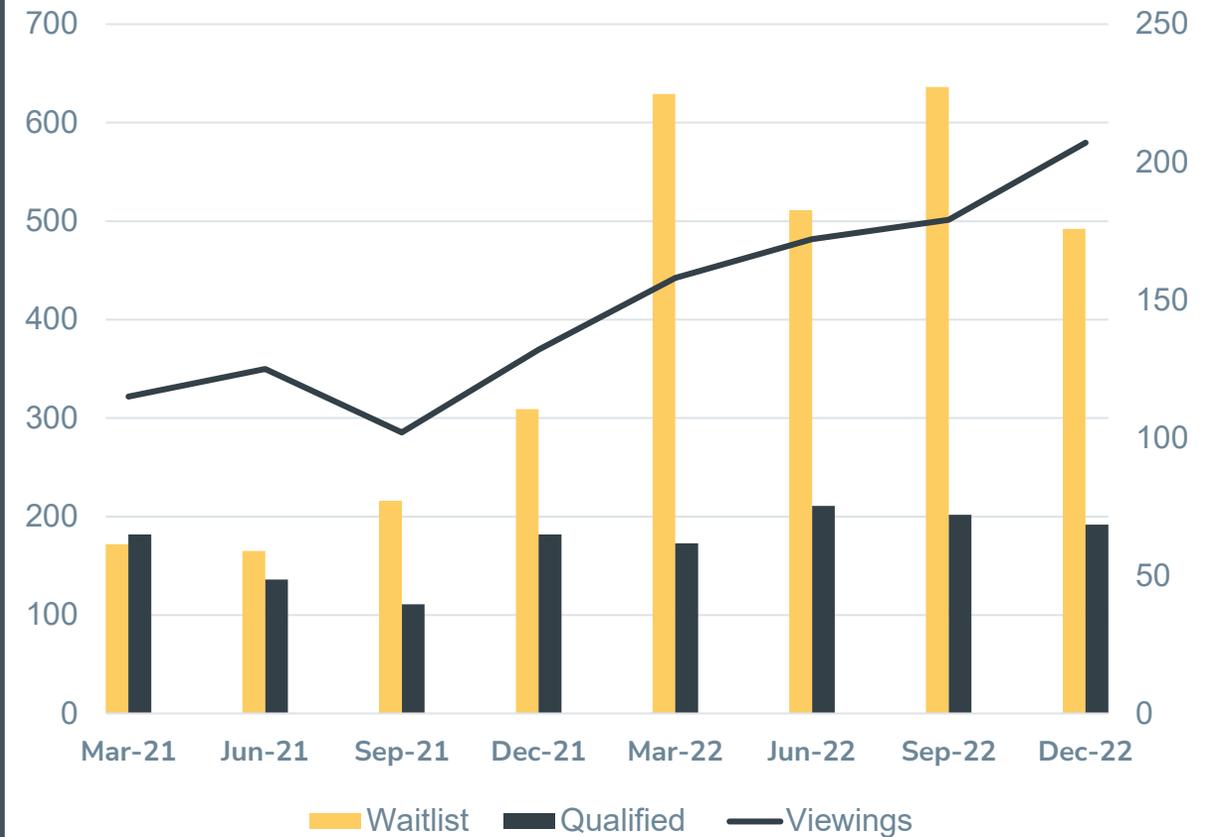
Website users are up +16% year-on-year

Industrials.co.uk website users



Viewings continue to rise as efficiencies increase

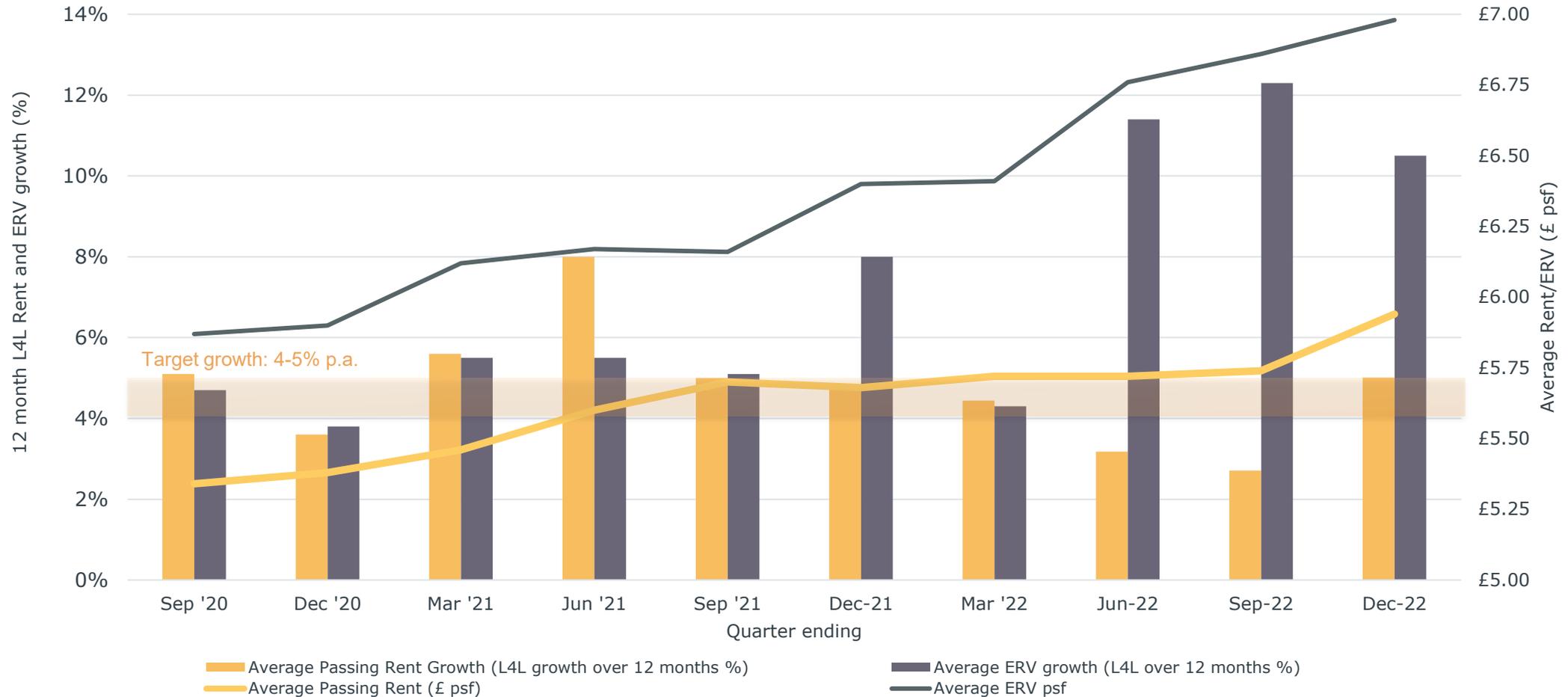
Qualified leads, waitlist and viewings



Strong growth in ERVs

Targeting 4-5% growth p.a. in rents and ERVs

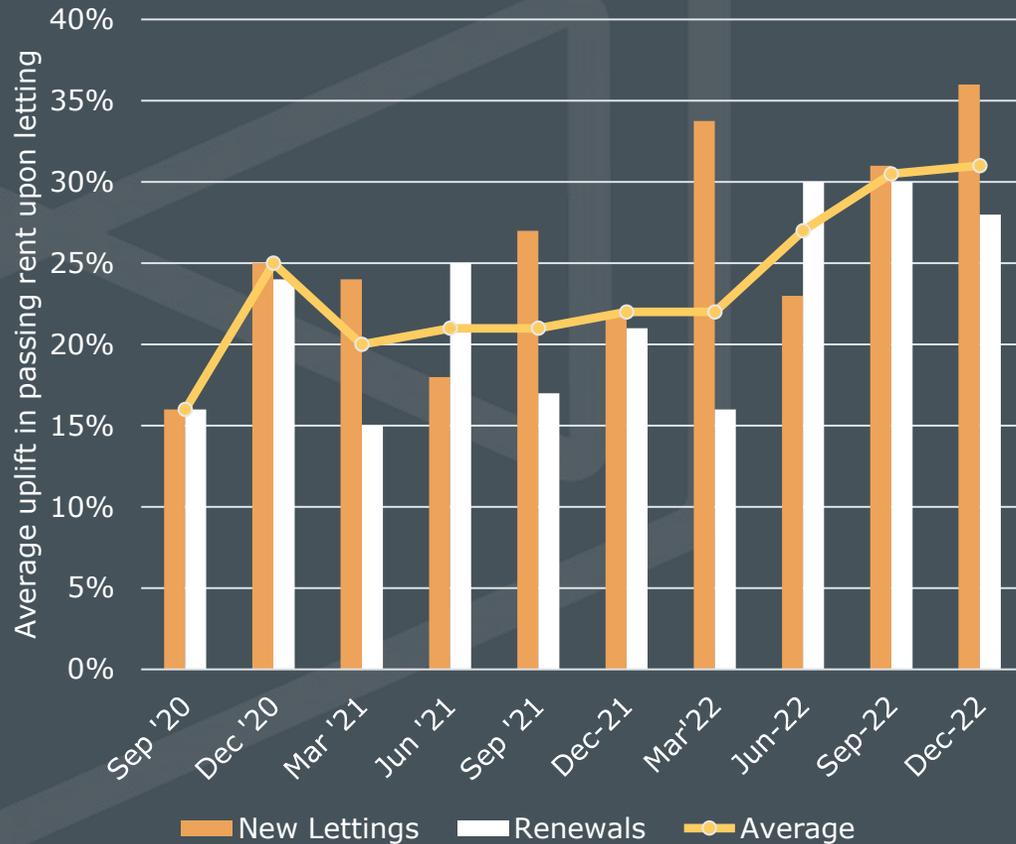
MLI Rents and ERVs



Strong leasing performance

30% average uplift in rent upon letting or renewal

Average rent uplift at letting and renewal



£2.2m of new leases completed

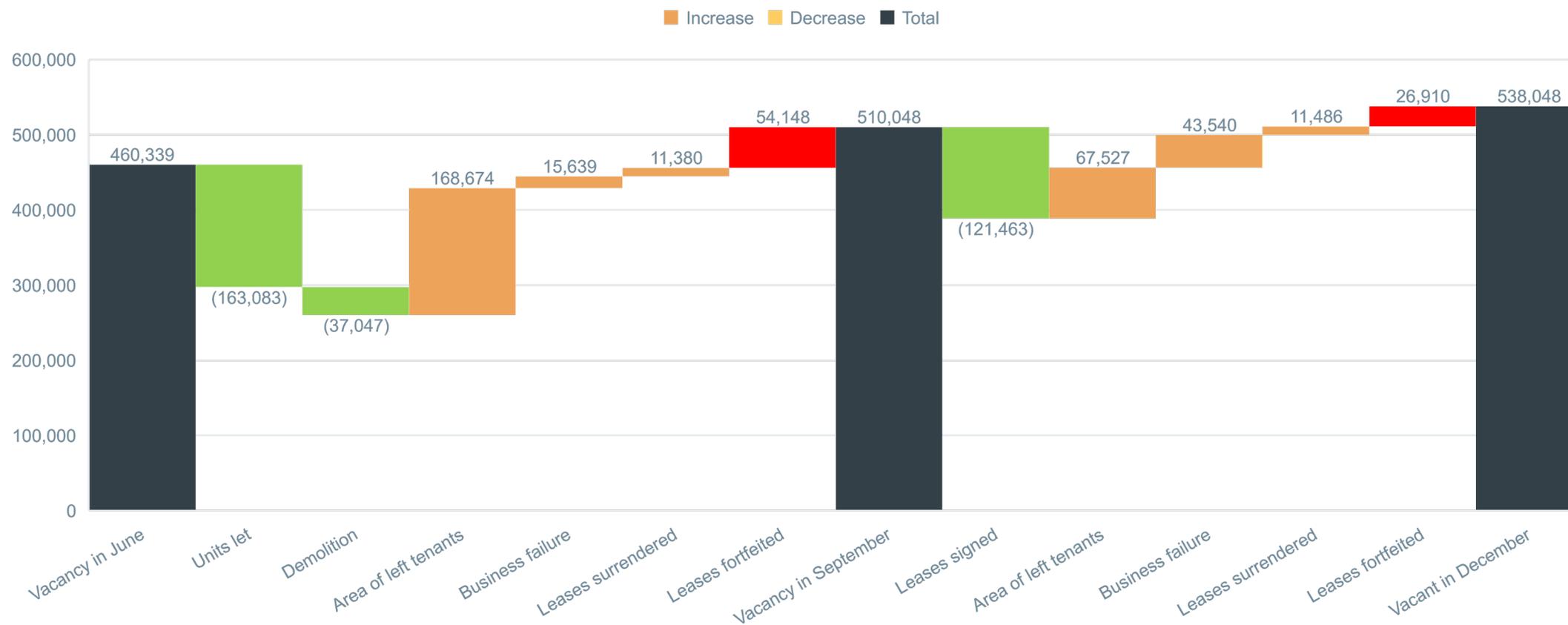
Value of new leases signed (£m) and units under offer at quarter end (sq ft)



Strong leasing activity and asset management

Proactively building resilience into the portfolio

Vacancy (sq ft) change from June - September and September - December 2022





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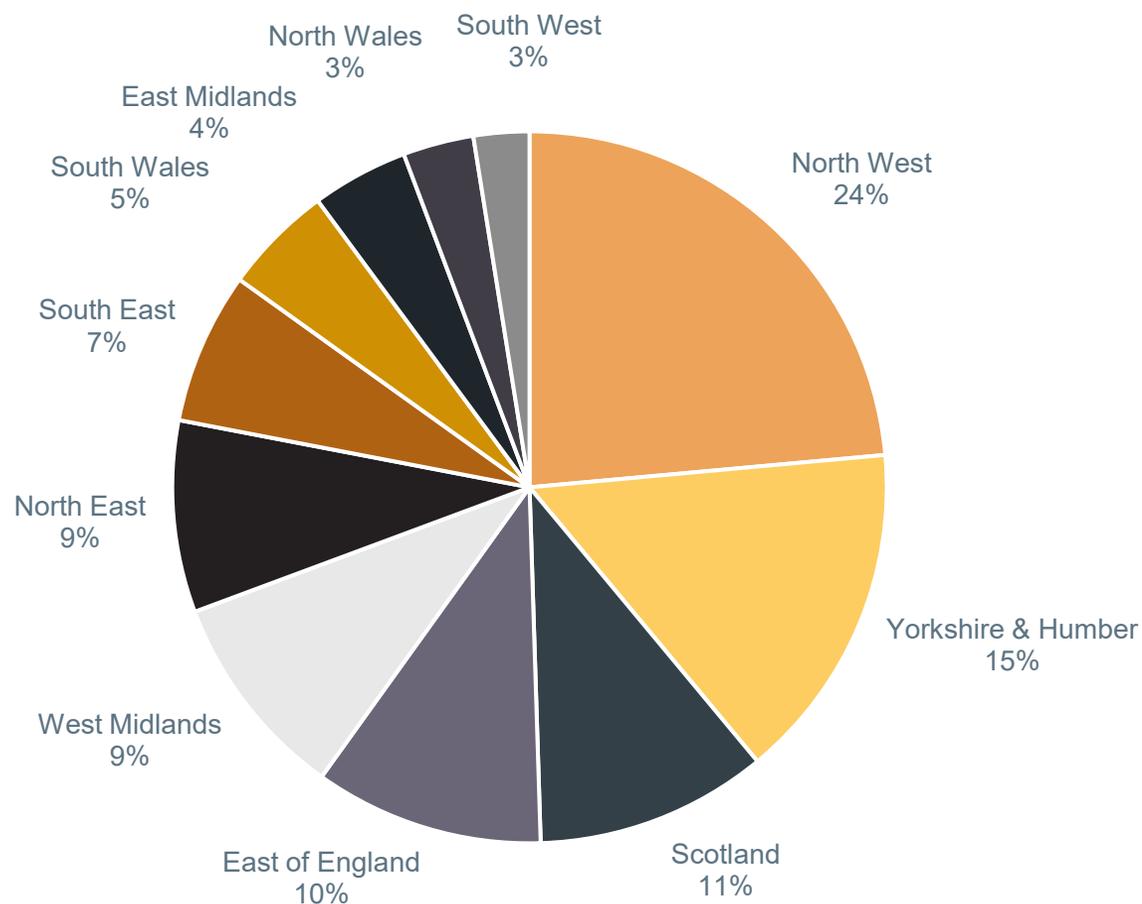
02

**Regional Performance
Review**



A regional view of our portfolio

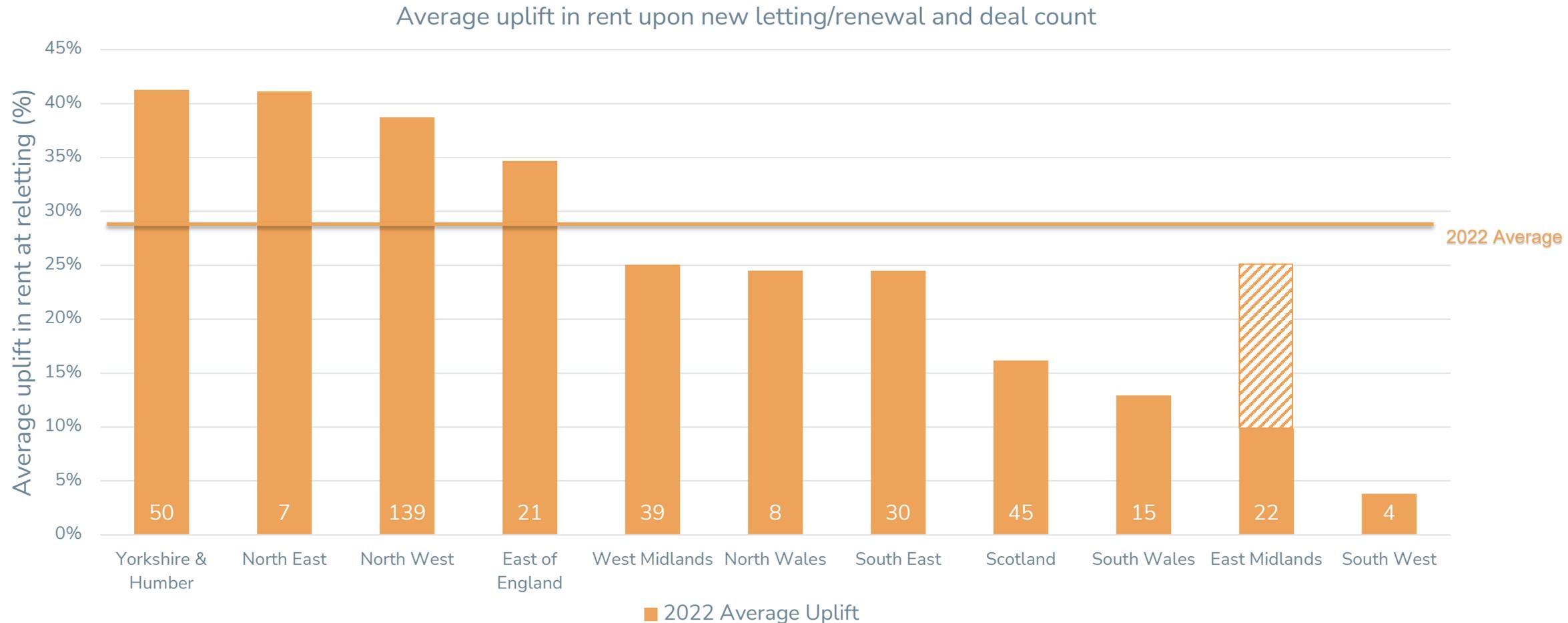
Portfolio make-up by sq ft (excl. LL and land)



Region	Average unit size	Number of units	Average passing rent (£psf)	Average ERV (£ psf)	Difference (%)
North West	3,018	555	£5.77	£7.14	23.72%
East of England	6,369	116	£5.51	£6.65	20.73%
Yorkshire & Humber	4,144	265	£5.68	£6.83	20.28%
North East	4,244	146	£5.84	£6.98	19.42%
West Midlands	3,901	172	£5.40	£6.35	17.61%
North Wales	5,429	42	£4.32	£4.89	13.29%
Scotland	3,054	245	£7.09	£8.00	12.77%
South East	4,541	108	£7.25	£8.16	12.58%
East Midlands	3,938	79	£6.22	£6.90	11.01%
South Wales	4,373	81	£6.01	£6.34	5.59%
South West	7,167	25	£6.31	£6.48	2.57%
Total	3,879	1,834	£5.94	£6.98	17.45%

A regional view on demand, lettings and rent

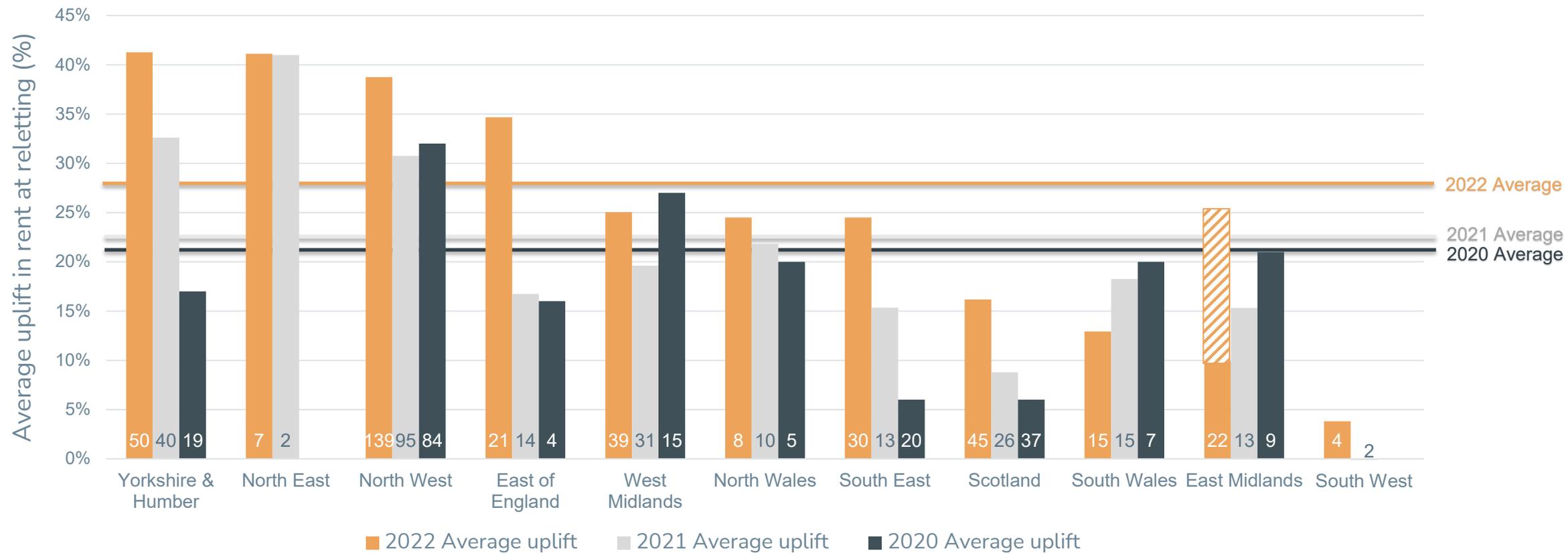
For the period 1st January to 31st December 2022



A regional view on demand, lettings and rent

For the period 1st January to 31st December 2022

Average uplift in rent upon new letting/renewal and deal count



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03

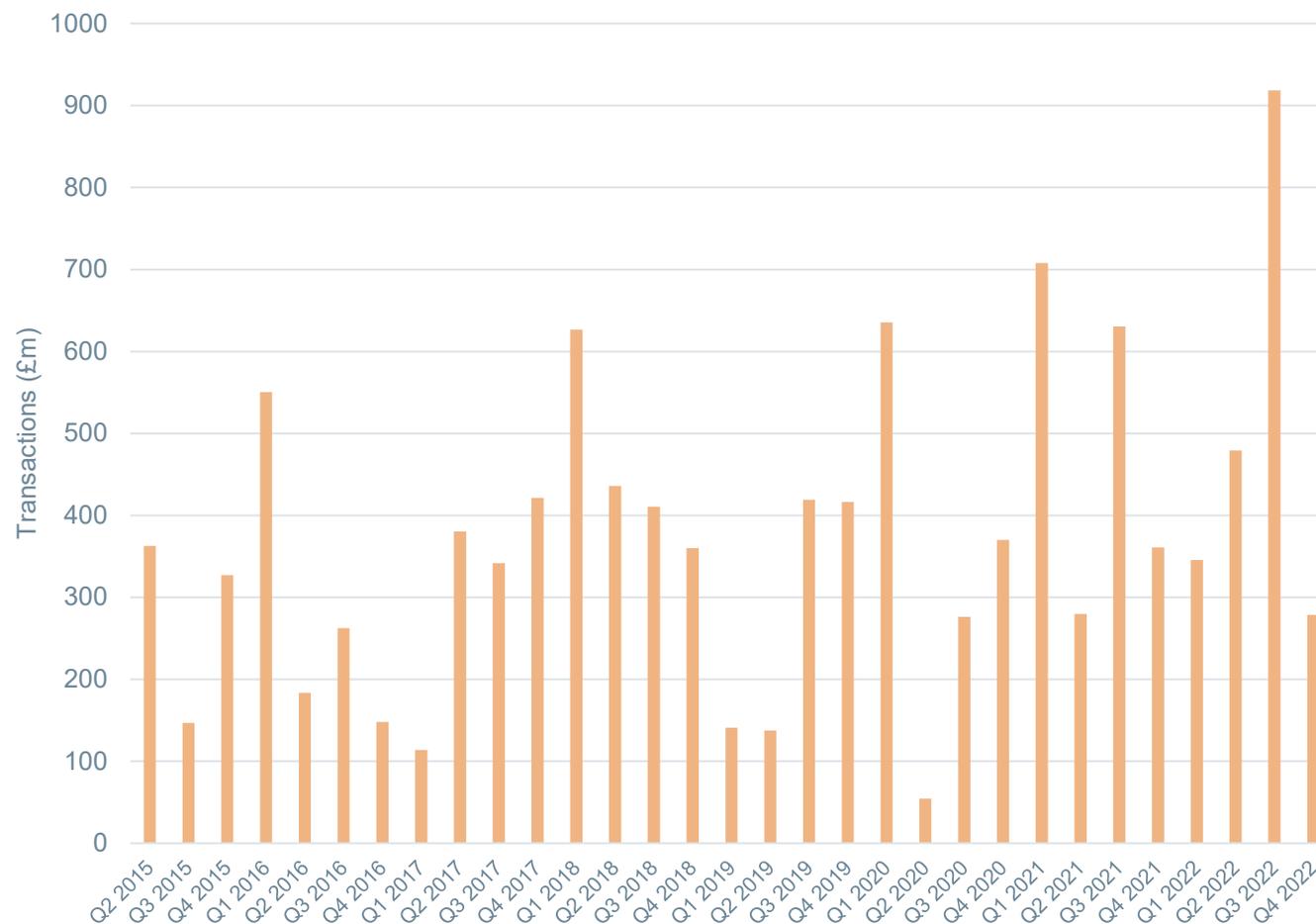
Investment Market Update



Investment Market Update

- No investment transactions were completed this quarter;
- MLI investment volumes remained relatively muted in Q4 2022 (-23% vs same quarter in 2021);
- MSCI’s Monthly Index reported an industrial capital value decline of -23% from June to November 2022 as rising yields impacted capital values;
- This reflects our expectation from last year that MLI yields would soften 100-150bps from peak, from low 5% to mid 6%;
- Due to strong occupational fundamentals demand from investors for industrial investments remains robust, which is maintaining pricing tension in the market;
- Force sellers are likely to find liquidity.

Quarterly MLI investment transaction volumes (Source: DTRE)



Q&A

Register to join **Industrials REIT Trading Update for period ended 31 March 2023**

Date: Friday 28 April 2023

Time: 9:00am – 9:30am BST

[Register online or click here.](#)

Date for the diary: **Industrials REIT Annual results for the year ended 31 March 2023**

Date: Friday 9 June 2023

Time: 9:00am – 10:00am BST

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