

OUR STRATEGY CONTINUED



02

A STRONG AND RESILIENT INCOME STREAM

Our portfolio is highly reversionary, meaning there is rental uplift to be captured between what occupiers are currently paying and the market rent.

Our business model is to capture this through active asset management and selective refurbishment.

We deliver improvements to our estate when occupiers vacate, making them best in class and fully meeting the sustainability expectations of future occupiers.

This includes targeting a minimum EPC B rating on refurbishment. By only investing in assets which are well built, the capex required to achieve this is relatively modest.

We rigorously assess the covenants of all our occupiers to ensure we only let space to businesses that are financially sound.

HOW WE DO IT

Tilstone has established a three-stage plan to driving rental growth on an asset-by-asset basis. Starting with occupier engagement and light-touch improvements, we then undertake selective refurbishments to deliver higher-value space back into the market at an increased rent.

TILSTONE ASSET MANAGEMENT STRATEGY



PHASE 1

- Occupier engagement
- Cosmetic improvements
- Initiate marketing plan
- Refurbish and re-let vacant space



PHASE 2

- Continued refurbishment and improved amenities
- Full rebrand, relaunch and repositioning
- Target higher-value occupiers



PHASE 3

- Capture reversion
- Driving long-term value
- Explore adjoining acquisitions/development opportunities



PROGRESS IN THE YEAR

Leasing activity covered 1.9m sq ft in the year, representing 28.0% of the portfolio, with deals signed on average 24.4% ahead of prior contracted rents.

This activity generated like-for-like rental growth of 4.7%.

PORTFOLIO METRICS

£42.5m
contracted rent

4.7%
LFL rental growth

6.8%
ERV growth

£6.1m
reversionary potential

68.7%
EPC A+-C rated