



News Release

Disposal of two high street units and signing of Asset Management Agreement with Harborough District Commercial Services Ltd

21 March 2019

NewRiver is pleased to announce the sale of two high street units in Market Harborough, Leicestershire, to Harborough District Commercial Services Ltd ('HDCS'), which is wholly-owned by Harborough District Council, for £3.8 million, reflecting a net initial yield of 6.6%. The assets comprise an 11,700 sq ft store let to Tesco, with five residential units on the first floor, a 6,200 sq ft store let to B&M, and a service yard between the units. The assets have been acquired by HDCS, which supports the Council's strategic acquisition programme aimed at continually improving the town centre and offering new facilities for residents of the district, in line with the Harborough Local Plan and 'invest in Harborough' initiative. NewRiver acquired the assets from a private property company in June 2015 for a net initial yield of 9.0%, and over their period of ownership by NewRiver, the assets have delivered a blended unlevered IRR of 15.0%.

NewRiver has also signed an Asset Management Agreement with HDCS for the assets, whereby it will undertake full asset management responsibilities in exchange for a management fee calculated as a proportion of net operating income received. This marks a further expansion of NewRiver's asset management platform for third party assets, following the signing of an agreement with Canterbury City Council in September 2018 for Whitefriars Shopping Centre.

This transaction brings NewRiver's total disposals so far in FY19 to £56.7 million, and reduces the proportion of high street assets in its portfolio to just over 1%. NewRiver has intentionally reduced its exposure to high street assets as they are typically geographically fragmented and provide fewer asset management opportunities than the community pubs, community shopping centres and conveniently-located retail parks which comprise the majority of its portfolio.

Norman Proudfoot, Director of HDCS, said: "We are continually looking to undertake and support new investment opportunities which will provide benefits to residents and businesses across the district. As part of this, we were made aware of this new and exciting opportunity to buy two retail buildings and some land surrounding these buildings in Market Harborough town centre. The purchase of these buildings will not only support the future economic regeneration of Market Harborough, but also provide a return on the council investment and this will be used to support wider council services across the district."

Stuart Mitchell, Director, said: "We are delighted to sign this deal with HDCS, further advancing our profitable capital recycling programme and expanding our asset management platform. HDCS recognise the key role that NewRiver's asset management expertise can play in enhancing town centres and realising ambitious local plans, and we look forward to working closely with them. As the trend of local councils taking ownership of their town centres through retail asset acquisitions continues, NewRiver stands ready to take advantage of the asset management opportunities it will bring."

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About NewRiver:

NewRiver REIT plc ('NewRiver') is a leading Real Estate Investment Trust specialising in buying, managing, developing and recycling convenience-led, community-focused retail and leisure assets throughout the UK.

Our £1.4 billion portfolio covers over 9 million sq ft and comprises 34 community shopping centres, 19 conveniently located retail parks and over 650 community pubs. Having hand-picked our assets since NewRiver was founded in 2009, we have deliberately focused on the fastest growing and most sustainable sub-sectors of the UK retail market, with grocery, convenience stores, value clothing, health & beauty and discounters forming the core of our retail portfolio. This focus, combined with our affordable rents and desirable locations, delivers sustainable and growing returns for our shareholders, while our active approach to asset management and in-built 1.8 million sq ft development pipeline provide further opportunities to extract value from our portfolio.

NewRiver has a Premium Listing on the Main Market of the London Stock Exchange (ticker: NRR) and is a constituent of the FTSE 250 and EPRA indices. Visit www.nrr.co.uk for further information.

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