

# QUARTERLY UPDATE

Q3 – three months ended 31 March 2022

The PRS REIT plc is the UK's first listed real estate investment trust to focus on the Private Rented Sector ("PRS"). Launched in May 2017, the Company is creating a portfolio of newly-built, high-quality, professionally-managed rental homes across the main conurbations of England, outside London.



**Completed homes:** 4,616 at 31 March 2022 with ERV of £45.5m p.a.

**Rent collected in the period was 99% of rent invoiced over the same period**

**Equity raised to date:** £555.6m

**Debt facilities (investment and development):** £450m

*Gearing restricted to maximum 45% of gross asset value*

**NAV at 30 June 2021:** 99.0p

**Launch date:** 31 May 2017

**Year end:** 30 June

**Market capitalisation:** c. £590m (31 March 2022)

**Shares in issue:** 549,251,458

**Share price:** 107.5p at 31 March 2022

#### Board of Directors:

Steve Smith, Chairman

Steffan Francis, Non-executive Director

Roderick MacRae, Non-executive Director

Geeta Nanda, Non-executive Director

Jim Prower, Non-executive Director

**Investment adviser:** Sigma PRS Management Ltd, a subsidiary of Sigma Capital Group

**Registered address:** 1 St Ann Street, Manchester, M2 7LR

**Fund Structure:** UK Real Estate Investment Trust

**SEDOL:** BF01NHS

**ISIN:** GB008F01NH51

### Q3 2022

A further 127 new rental homes were added to the Company's portfolio in Q3, taking it to 4,616 completed homes as at 31 March 2022, a year-on-year increase of 29% (31 March 2021: 3,590 completed homes).

The estimated rental value# ("ERV") of the completed homes is £45.5m p.a., approximately 37% higher year-on-year (31 March 2021: ERV of £33.3m p.a.).

With fixed price design & build contracts in place, the Company continued to benefit from insulation against rising material costs.

A further 822 homes with an ERV of £6.2m p.a. were contracted as at 31 March 2022, and are at varying stages of the construction process.

The Company plans to acquire two further sites before the financial year-end, utilising debt funding, and continues to anticipate completion of the 5,000th home towards the end of calendar 2022.

### ASSET PERFORMANCE

- > Rent collection was at 99%. Rent collected is defined as rent collected in the period relative to rent invoiced in the same period.
- > Total arrears remained low at £0.5m at 31 March 2022
- > Occupancy was high at 98%. (Of the 4,616 completed homes, 4,513 were occupied at 31 March 2022). A further 40 homes were reserved at the end of March for qualified applicants who had passed referencing and paid rental deposits.
- > In the twelve months to 31 March 2022, like-for-like rental growth on stabilised sites was strong at 4.8%.

### DIVIDEND

- > An interim dividend of 1.0p pence per ordinary share for Q3 2022 is payable on 20 May 2022 to shareholders on the register on 29 April 2022.
- > An interim dividend of 1.0p pence per ordinary share for Q2 2022 was paid on 11 February 2022

	At 31 Mar 2022	At 31 Dec 2021	At 31 Mar 2021
<b>Completed Homes</b>			
Number of completed homes	4,616	4,489	3,590
Estimated rental value ("ERV") per annum	£45.5m	£43.5m	£33.3m
<b>Contracted Homes</b>			
Number of contracted homes	822	949	1,536
ERV per annum	£6.2m	£8.2m	£15.8m
<b>Completed and contracted sites</b>	67	67	65
ERV per annum of completed and contracted homes	£51.7m	£51.7m	£48.8m
<b>Like-for-like rental growth on stabilised sites in the preceding 12 months</b>	4.8%	3.2%	-
<b>Rent collected in period</b>	<b>Q3 2022</b>	<b>Q2 2021</b>	<b>Q3 2021</b>
	99%	99%	100%

\* Contracted sites refers to sites under construction (under a design & build contract) that have been purchased by the PRS REIT or the PRS REIT's Investment Adviser (forward sold to the PRS REIT).

\*\* This is a target only and there can be no assurance that the target can or will be met and should not be taken as an indication of the Company's expected or actual future results. Accordingly, potential investors should not place any reliance on this target in deciding whether or not to invest in the Company or assume that the Company will make any distributions at all and should decide for themselves whether or not the target dividend yield is reasonable or achievable.

# QUARTERLY UPDATE

## Q3 – three months ended 31 March 2022

### INVESTMENT OBJECTIVES

- > Provide investors with an attractive level of income, and the prospect of income and capital growth
- > The Company is targeting a minimum total dividend of 4.0p per share for the financial year ended 30 June 2022

*There is no guarantee that these targets can or will be achieved and they should not be taken as indications of the Company's expected and actual returns.*

### ORDINARY DIVIDENDS PAID

Per Share

Period from IPO to 30 June 2019	10.0p
FY ended 30 June 2020	4.0p
FY ended 30 June 2021	4.0p
H1 2022	2.0p
Q3 2022 (to be paid 20 May 2022)	1.0p

### MARKET OPPORTUNITY

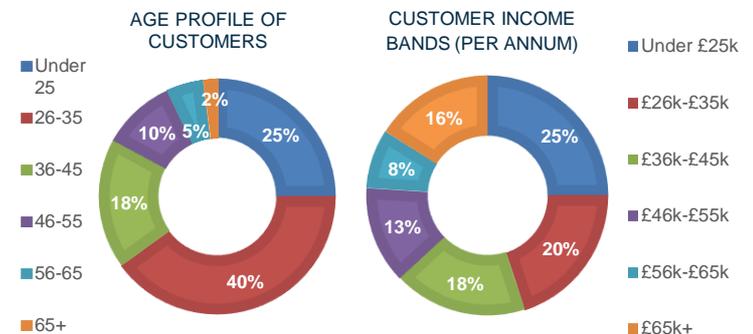
In a recent report on the UK housing market, the Nationwide Building Society described the current economic outlook as “particularly uncertain at present”. This reflected a number of factors including the conflict in Ukraine and rising inflation.

Nationwide has reported that in March 2022, annual house price inflation reached 14.3%, its highest level since 2004, driven by high demand and low supply. Prices are now 21% higher than pre-pandemic levels.

Home purchases and mortgage affordability have become increasingly constrained as a result, and Nationwide predicts rising inflation and higher interest rates will exacerbate this situation.

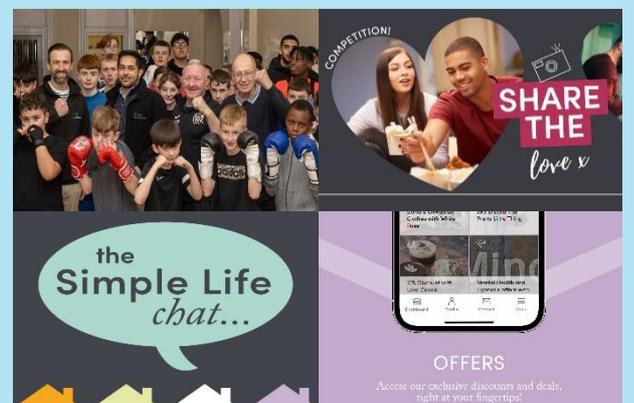
In this context, it is likely that the rental market will see increased demand, creating upward pressure on rents as more renters enter the sector and growth in rental stock remains below required levels.

### COMPLETED AND CONTRACTED HOMES



### COMMUNITY ENGAGEMENT

- We held our 'Valentine's Day Date Night' competition in February, with winning residents receiving £100 worth of dining out vouchers.
- Residents have been offered exclusive offers through the My Simple Life app with brands including Joe and Seph's Popcorn, Sky, Dunelm and AO.com.
- Through its Investment Adviser, the REIT has supported the Doncaster Plant Works boxing club, located near its Pullman Green site, with a £7,500 donation.
- An additional 100 SaveMoneyCutCarbon memberships have been given out to residents.
- 'The Simple Life Chat' podcast is continuing, interviewing the property management team and dispelling rental myths.



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Depository: Crestbridge UK Limited  
Legal Advisers: Dentons  
Auditor: RSM  
Financial Advisers: Nplus1 Singer Advisory

Valuer: Savills PLC  
Alternative Investment Fund Manager: G10 Capital  
Financial Public Relations: KTZ Communications  
Registrar: Link Asset Services  
Debt advisor: JCRA