

# QUARTERLY UPDATE

## Q4 – three months ended 30 June 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:** 4,786 at 30 June 2022 with ERV of £47.8m p.a.

**Rent collected in the period was 100% 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. £580m (30 June 2022)

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

**Share price:** 105.6p at 30 June 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

### Q4 2022

170 new rental homes were added to the Company's portfolio in Q4, taking the total number added during the financial year to 802. This raised the number of completed homes to 4,786 at 30 June, a 20% increase year-on-year (30 June 2022: 3,984).

The estimated rental value ("ERV") of the 4,786 completed homes at 30 June 2022 was £47.8m p.a., a 27% annual increase (30 June 2021: 3,984 homes, ERV of £37.5m p.a.).

A further 693 homes, with an ERV of £4.4m p.a., were contracted\* at 30 June 2022, and are at varying stages of the construction process.

The Company acquired two sites in Q4 using debt funding. The first was a fully completed site at Baberton Grange, Nuneaton, comprising 50 homes with an ERV of £0.5m p.a.. The second was a development site at Drakelow Park, Burton-Upon-Trent, which will deliver 41 homes when fully completed, with an ERV of £0.4m and a gross development cost of £7.3m.

The Company plans to acquire a further three sites in the first half of the new financial year.

### ASSET PERFORMANCE

- > Rent collection\*\* was at 100%.
- > Total arrears were low at £0.6m at 30 June 2022 (30 June 2021: £0.4m).
- > Occupancy was high at 98%. (Of the 4,786 completed homes, 4,764 were occupied at 30 June 2022). A further 53 homes were reserved at quarter end for qualified applicants who had passed referencing and paid rental deposits.
- > In the twelve months to 30 June 2022, like-for-like rental growth on stabilised sites was strong at 5.1%.

### DIVIDEND

- > An interim dividend of 1.0p per ordinary share has been declared for Q4 2022, to be paid on 26 August 2022 to shareholders on the register on 5 August 2022.
- > An interim dividend of 1.0p per ordinary share for Q3 2022 was paid on 13 May 2022.

	At 30 Jun 2022	At 31 Mar 2022	At 30 Jun 2021
<b>Completed Homes</b>			
Number of completed homes	4,786	4,616	3,984
Estimated rental value ("ERV") per annum	£47.8m	£45.5m	£37.5m
<b>Contracted Homes</b>			
Number of contracted homes	693	822	1,096
ERV per annum	£4.4m	£6.2m	£10.8m
<b>Completed and contracted sites</b>			
ERV per annum of completed and contracted homes	£52.2m	£51.7m	£48.3m
<b>Like-for-like rental growth on stabilised sites in the preceding 12 months</b>	5.1%	4.8%	n/a
<b>Rent collected in period</b>	<b>Q4 2022</b>	<b>Q3 2021</b>	<b>Q4 2021</b>
	100%	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).

\*\* Rent collection is defined as rent collected in the period relative to rent invoiced in the same period

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### INVESTMENT OBJECTIVES

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

### 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	1.0p
Q4 2022 (to be paid on 26 August)	1.0p

### MARKET OPPORTUNITY

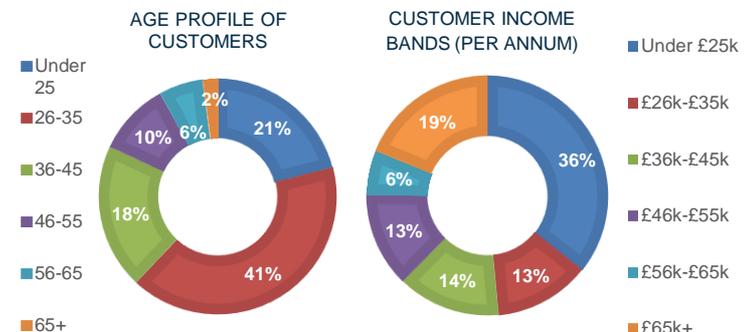
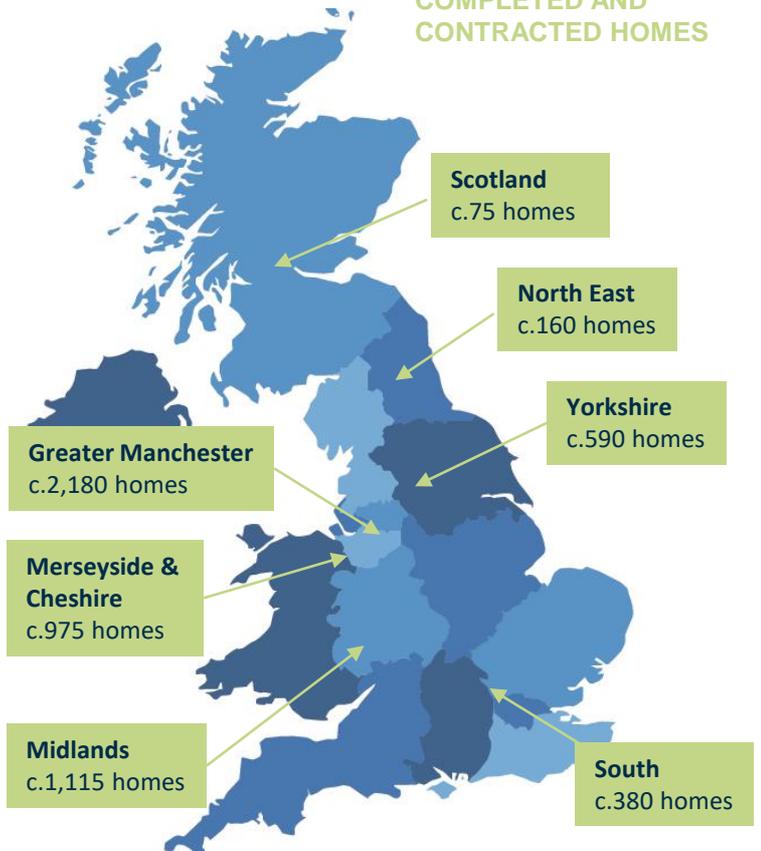
In its latest quarterly update on the UK rental market (April-June 2022), Rightmove reported that average asking rents outside of London are rising at the highest annual rate Rightmove has ever recorded in 16 years of reporting. Rents have now risen by 19% (+£177 pcm) since the pandemic started two years ago.

Rising rents continue to be driven by a shortage of available rental stock, with low volumes struggling to meet high tenant demand. Available rental stock is down 26% on last year's levels, while demand is up 6%, according to Rightmove data.

In the for-sale market, the Office for National Statistics recorded average house prices growth of 12.4% over the year to April 2022, up from 9.7% in March 2022.

In this context, we expect that the rental market will continue to see high demand and 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

- Our first 'Building for My Future' course, organised by our Investment Adviser, took place in April with partners at the Outward Bound Trust. This funded a free trip to the Ullswater Centre in the Lake District for twelve young people, from partner charities, suppliers and residents. The course included a range of skill-building activities including abseiling, hiking, camping and canoeing. Applications are now open for the second trip of 2022.
- We supported Platinum Jubilee street parties on a number of our sites.
- Our online Easter egg hunt took place again this year, with free chocolate sent to all those who completed the hunt.
- Our annual health and wellbeing series and Peace of Mind month competition also took place, with lots of resident involvement, nominations and winners.



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Depository: Crestbridge UK Limited  
Legal Advisers: Dentons  
Auditor: RSM  
Financial Advisers: Singer Capital Markets  
Company Secretary: Hanway Advisory Limited

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