

# QUARTERLY UPDATE

Q1 FY 2025 – three months ended 30 September 2024

The PRS REIT plc

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.



## Q1 FY2025

### DELIVERY PROGRAMME

A further 29 new homes were added to the portfolio in the first three months of the new financial year, taking the portfolio to 5,425 completed homes at 30 September 2024, with 151 homes still in delivery. These are at varying stages of the construction process.

The estimated rental value ("ERV") of the 5,425 completed homes is £67.5m p.a. (30 Sept 2023: 5,129 completed homes, with an ERV of £57.6m p.a.). The year-on-year rise in ERV reflects both the increase in completed homes and strong rental growth.

Once the 151 contracted homes are completed and let, the portfolio will comprise c. 5,600 homes with an ERV of c.£69.1m p.a.

### STRONG PORTFOLIO PERFORMANCE

- > Rent collection\*\* during Q1 FY25 was 100%.
- > Occupancy was 98%, with 5,303 homes occupied out of 5,425 completed homes at 30 September 2024. Including a further 86 homes reserved for applicants who had not yet moved in (but had passed referencing and paid rental deposits), occupancy would have been 99%.
- > Total arrears net of bad debt provision stood at £1.6m at 30 September 2024 (2023: £1.1m).

### ASSET PERFORMANCE cont.

- > In the 12 months to 30 September 2024, the like-for-like blended rental growth on stabilised sites was 11.5%.
- > Affordability remains very strong, with average rent as a proportion of gross household income at c.24%. This is well within Home England's guidance limit of 35%.

### ENERGY EFFICIENCY

- > Homes are energy efficient; c.87% of home are EPC-rated 'A' or 'B'; with the remainder rated 'C'.

### DIVIDEND

- > The interim dividend for Q1 FY25 is expected to be declared in November 2024.
- > Total dividends declared for FY24 amounted to 4.0p per share. (FY23: 4.0p per share).
- > The target dividend for FY25 is under review; an update will be provided in due course.

Note: The like-for-like blended rental growth on investment property stabilised sites is defined as the annual rental growth on sites where all units have been completed and either all, or nearly all, have been let

<b>Completed homes:</b> 5,425 at 30 Sept 2024 with ERV of £67.5m p.a.
<b>Rent collected in Q1 FY25 was 100% of rent invoiced over the same period</b>
<b>Equity raised to date:</b> £555.6m
<b>Debt facilities (investment and development):</b> £460m <i>Gearing restricted to maximum 45% of gross asset value</i>
<b>NAV at 30 June 2024:</b> 133.2p per share
<b>Launch date:</b> 31 May 2017
<b>Year end:</b> 30 June
<b>Market capitalisation:</b> c.£570m (30 Sept 2024)
<b>Shares in issue:</b> 549,251,458
<b>Share price:</b> 102.6p (30 Sept 2024)
<b>Board of Directors (at 30 September 2024):</b>
Steve Smith, Chairman
Karima Fahmy, Non-executive Director
Steffan Francis, Non-executive Director
Roderick MacRae, Non-executive Director
Geeta Nanda, Non-executive Director
<b>Investment adviser:</b> Sigma PRS Management Ltd, a subsidiary of Sigma Capital Group
<b>Registered address:</b> 1 St Ann Street, Manchester, M2 7LR
<b>Fund Structure:</b> UK Real Estate Investment Trust
<b>SEDOL:</b> BFO1NHS
<b>ISIN:</b> GB008F01NH51

	At 30 Sept 2024	At 30 Jun 2024	At 30 Sept 2023
<b>Completed homes</b>			
Number of completed homes	5,425	5,396	5,080
Estimated rental value ("ERV") per annum	£67.5m	£65.1m	£55.0m
<b>Contracted homes</b>			
Number of contracted homes	151	180	444
ERV per annum	£1.6m	£1.4m	£3.8m
<b>Completed and contracted sites*</b>			
ERV per annum of completed and contracted homes	£69.1m	£66.5m	£58.8m
<b>Like-for-like rental growth on stabilised sites in the preceding 12 months</b>	11.5%	11.7%	7.5%
	Q4 FY24	Q3 FY24	Q4 FY23
<b>Rent collected in period**</b>	100%	100%	99%

\* 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

# QUARTERLY UPDATE

Q1 – three months ended 30 September 2024

## INVESTMENT OBJECTIVES

- > The PRS REIT aims to provide investors with an attractive level of income and the prospect of income and capital growth.
- > The Company targeted, and paid, total dividends amounting to 4.0p per share in the financial year ended 30 June 2024.

## ORDINARY DIVIDENDS PAID (Quarterly)

Per Share

FY ended 30 June 2024	4.0p
FY ended 30 June 2023	4.0p
FY ended 30 June 2022	4.0p
Period from IPO to 30 June 2021	18.0p
<b>Total since IPO</b>	<b>30.0p</b>

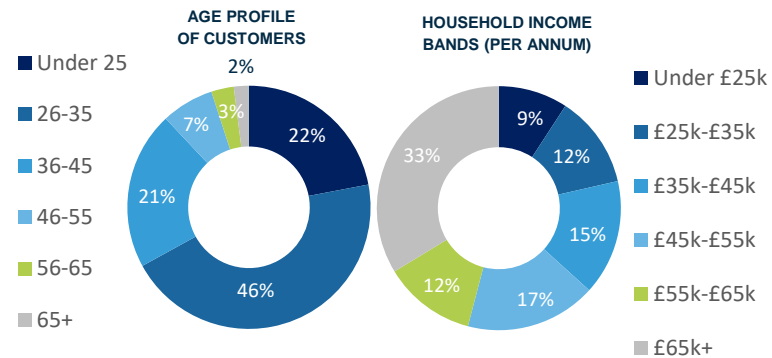
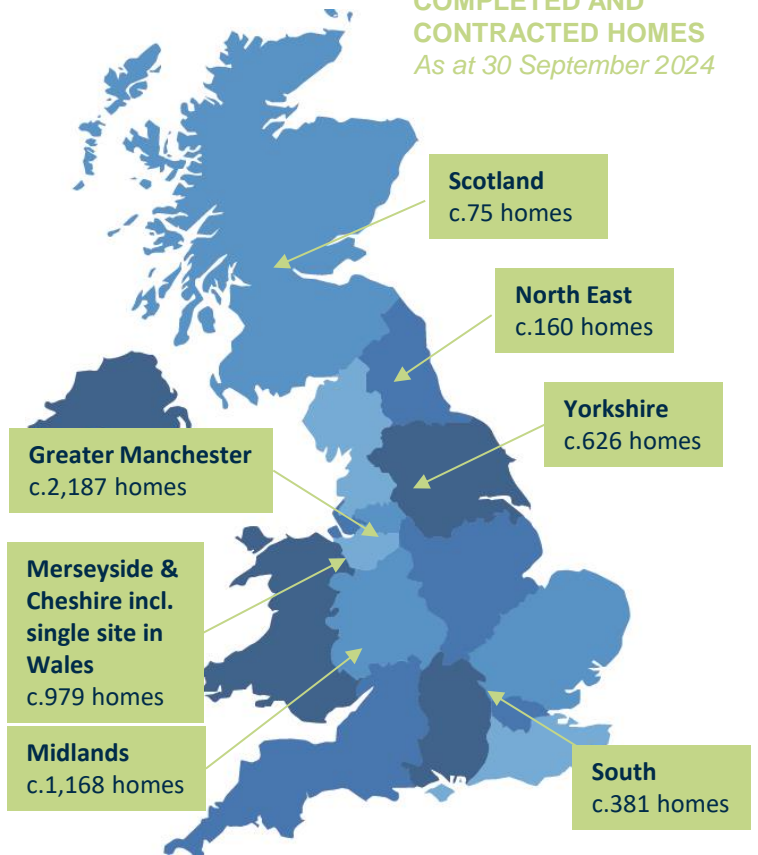
## MARKET OPPORTUNITY

The market opportunity in the UK remains significant, driven by strong rental demand against a background of severe undersupply of high-quality rental homes.

In its Housing Insight Report published in September 2024, Propertymark, the leading professional body for estate and letting agents, commercial agents, auctioneers, valuers and inventory providers, stated that overall rental demand continued to outstrip supply, with around eight new applicants registered for each available property in July 2024. It also flagged that new instructions trended downward, pointing to the potential for further supply constraints.

Zoopla, a leading UK property website, stated in its Rental Market Report, published in September 2024, that while rental inflation had slowed to the lowest level for almost three years, it is cooling off a high base and is still double pre-pandemic levels. Zoopla stated that high demand and a low supply of properties continue to keep rents high and that there are still 25% fewer properties available in 2024 compared to 2019. It also anticipates further tax changes will result in more landlords selling and that rents will continue to rise, with the supply/demand imbalance set to remain into 2025.

## COMPLETED AND CONTRACTED HOMES As at 30 September 2024



## COMMUNITY ENGAGEMENT

- In August, Simple Life-branded ice cream vans visited all the Company's developments in the annual 'Summer Ice-Cream Dash' to bring ice-cream to residents.
- In July, the Runcorn Rebels Cricket Club became the latest local sports club to receive funding and support from the Company.
- Residents nominated The Bereavement Café, which offers peer-to-peer support across Bolton, Wigan and the surrounding areas, to receive financial support from Simple Life.
- The North West Open Air Cinema Event was held in September at historic country house, Walton Hall and Gardens, set in acres of parkland in Warrington. Residents could watch 'The Greatest Showman' complete with drinks and food from pop-up eateries, as well as explore the Children's Zoo with friends and family.



Investment Adviser: Sigma PRS Management Ltd,  
1 St Ann Street, Manchester M2 7LR  
Rob Sumner - [rsumner@sigmacapital.co.uk](mailto:rsumner@sigmacapital.co.uk)

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