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15 February 2019

AEW UK REIT acquires Leeds industrial estate for £7.3m

AEW UK REIT plc ("the Company") is pleased to announce that it has acquired an industrial asset, Lockwood Court, Parkside Industrial Estate in Leeds for a gross purchase price of £7.3m, reflecting an attractive initial yield of 7.7%.

The 187,794 sq ft warehouse asset is fully let to LWS Yorkshire Ltd, a logistics and storage provider for Harrogate Spring Water, on a 10 year lease from October 2018. The lease provides a low passing rent of £3.22 per sq ft which, together with tight supply, forms a strong base for future potential rental growth.

Located two miles south of Leeds City Centre and close to J25 of the M62 and J40 of the M1, Parkside Industrial Estate is a well-established industrial and commercial area with a history of attracting regional and national occupiers.

Alex Short, Portfolio Manager, AEW UK REIT, commented: *"This latest acquisition is a very attractive addition to the portfolio due to both its high income return and potential for value growth in the future. Offering a low passing rent and located in an area of high tenant demand with limited property supply, the asset fundamentals mirror those of the portfolio's strongest performing industrials from which we saw capital value growth of 2.8% during Q4 last year alone. These low rented industrial assets now make up over 45% of the portfolios holdings."*

Following the acquisition of this property the Company's borrowings now show a gross loan to value of 25.0%. The Company's holdings comprise a diversified portfolio of regional UK commercial property assets showing exposure to the major property sectors in line with the weightings shown below. As per the Company's Investment Restrictions, maximum exposure to any of the below sectors at the time of purchase is 50%.

Industrial	47.1%
Office	21.7%
Retail	16.0%
Other	15.2%

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About AEW UK REIT

AEW UK REIT plc (LSE: AEWU) aims to deliver an attractive total return to shareholders by investing predominantly in smaller commercial properties (typically less than £10 million), on shorter occupational leases in strong commercial locations across the United Kingdom.

The Company is currently invested in office, retail, industrial and leisure assets, with a focus on active asset management, repositioning the properties and improving the quality of the income stream.

www.aewukreit.com

About AEW UK Investment Management LLP

AEW UK Investment Management LLP employs a well-resourced team comprising 23 individuals covering investment, asset management, operations and strategy. It is part of AEW Group, one of the world's largest real estate managers, with just over EUR63.5bn of assets under management as at 30 September 2018. AEW Group comprises AEW SA and AEW Capital Management L.P., a U.S. registered investment manager and their respective subsidiaries. In Europe, as at 30 September 2018, AEW Group managed nearly EUR30bn in value in properties of all types, with close to 400 staff located in 9 offices. The Investment Manager is a 50:50 joint venture between the principals of the Investment Manager and AEW.

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About AEW

AEW is one of the world's largest real estate asset managers, with EUR63.5bn of assets under management as at 30 September 2018. AEW has over 600 employees, with its main offices located in Boston, London, Paris and Hong Kong and offers a wide range of real estate investment products including comingled funds, separate accounts and securities mandates across the full spectrum of investment strategies. AEW represents the real estate asset management platform of Natixis Investment Managers, one of the largest asset managers in the world.

As at 30 September 2018, AEW managed almost EUR30bn of real estate assets in Europe on behalf of a number of funds and separate accounts. AEW has close to 400 employees based in 9 offices across Europe and has a long track record of successfully implementing Core, Value-Add and Opportunistic

investment strategies on behalf of its clients. In the last five years, AEW has invested and divested a total volume of over EUR20bn of real estate across European markets.

Disclaimer

This communication cannot be relied upon as the basis on which to make a decision to invest in the Company. This communication does not constitute an invitation or inducement to subscribe to any particular investment.

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