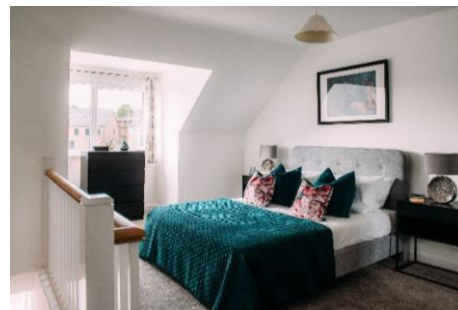


# QUARTERLY UPDATE

Q2 FY 2024 – three months ended 31 December 2023

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.



## Q2 FY2024

### DELIVERY PROGRAMME

The homes delivery programme is now at a very mature stage. A further 135 rental homes were completed and added to the portfolio in Q2, taking the portfolio to 5,264 completed homes at 31 December 2023. In addition, at that date, 312 homes were under way, at varying stages of the construction process.

The estimated rental value ("ERV") of the 5,264 completed homes is £60.3m p.a. This compares with 4,913 completed homes and £50.7m of ERV at the same point in the prior year, 31 December 2022. The year-on-year rise in ERV reflects both the increase in completed homes and strong rental growth.

Once the 312 homes are complete, the portfolio's ERV is expected to increase to c.£63.4m p.a.

### STRONG ASSET PERFORMANCE

- > Rent collection\*\* was 99%.
- > Occupancy was 97%, with 5,087 homes occupied out of 5,264 completed homes at 31 December 2023. A further 47 homes were reserved for applicants who had passed referencing and paid rental deposits.
- > Arrears were low at £0.6m at 31 December 2023, despite the growth of the portfolio.

### ASSET PERFORMANCE cont.

- > In the 12 months to 31 December 2023, like-for-like rental growth on stabilised sites was 11% (2022: 6%).
- > Affordability remains very strong, with average rent as a proportion of gross household income at c.22%. This is significantly better than Home England's guidance of less than 35%.

### ENERGY EFFICIENCY

- > Homes are energy efficient; c.87% are EPC-rated of 'A' or 'B'; with the remainder rated 'C'.
- > The annual running costs of the REIT's homes are c.74% cheaper than homes built from 1900-1929 and 25% cheaper than homes built in 2010.

### DIVIDEND

- > An interim quarterly dividend in respect of Q2 FY24 is expected to be declared towards the end of January 2024.
- > A dividend of 1.0p per share in respect of Q1 FY24 was paid on 1 December, 2023.
- > A dividend of 4.0p per share is targeted for FY24 (FY23: 4.0p per share)

<b>Completed homes:</b> 5,264 at 31 December 2023 with ERV of £60.3m p.a.
<b>Rent collected in Q2 FY24 was 99% 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 2023:</b> 120.1p per share
<b>Launch date:</b> 31 May 2017
<b>Year end:</b> 30 June
<b>Market capitalisation:</b> c. £465m (17 Jan 2024)
<b>Shares in issue:</b> 549,251,458
<b>Share price:</b> 82.8p (17 January 2024)
<b>Board of Directors:</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> BF01NHS
<b>ISIN:</b> GB008F01NH51

	At 31 Dec 2023	At 30 Sept 2023	At 31 Dec 2022
<b>Completed homes</b>			
Number of completed homes	5,264	5,129	4,913
Estimated rental value ("ERV") per annum	£60.3m	£57.6m	£50.7m
<b>Contracted homes</b>			
Number of contracted homes	312	395	613
ERV per annum	£3.1m	£3.1m	£6.6m
<b>Completed and contracted sites</b>			
ERV per annum of completed and contracted homes	72	71	71
<b>Like-for-like rental growth on stabilised sites in the preceding 12 months</b>	£63.4m	£60.7m	£57.3m
	11%	9.8%	6%
	Q2 FY24	Q1 FY24	Q2 FY23
<b>Rent collected in period</b>	99%	98%	98%

\* 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

Q2– three months ended 31 December 2023

The PRS REIT plc

## INVESTMENT OBJECTIVES

- > Provide investors with an attractive level of income, and the prospect of income and capital growth.
- > The Company is targeting a total dividend of 4.0p per share for the financial year ended 30 June 2024.

## ORDINARY DIVIDENDS PAID

Per Share

Q1 FY 2024	1.0p
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>27.0p</b>

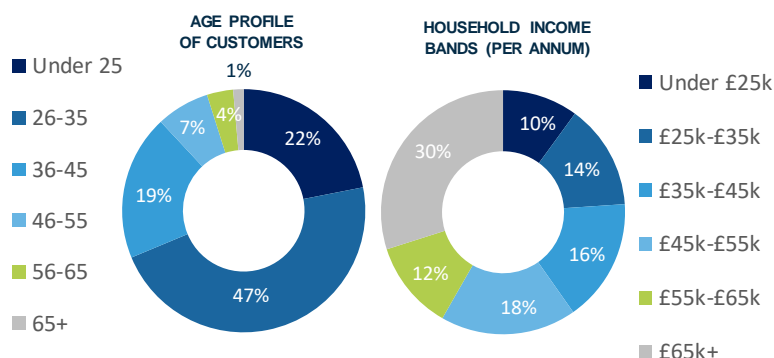
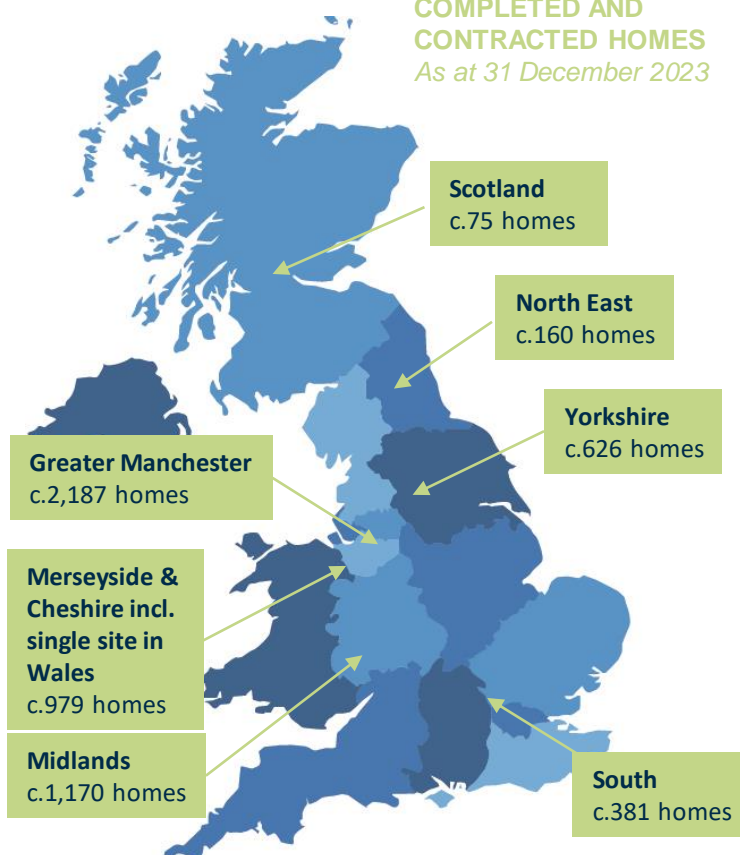
## MARKET OPPORTUNITY

The shortage of high-quality rental homes in the UK remains a structural feature of the marketplace, exacerbated by the current significant imbalance between rental supply and demand.

A Zoopla report published in December 2023 stated that demand for rental homes remains a third higher than the 5-year average. While the strong rental growth exhibited over the last three years is expected to have peaked and is predicted to start cooling in 2024, Zoopla still expects rents to rise by +5% - +8% across the country (outside London) in 2024.

The December 2023 RICS UK Residential Market Survey, commented that tenant demand rose over December 2023, and that "with landlord instructions remaining scarce, having declined continuously over the past year, a lack of properties available on the letting market continues to underpin rental prices." The survey also noted that a net balance of +50% of respondents expect rents to continue to rise over the near-term, "with longer term projections now pointing to a near 4% increase over the year ahead and for rental growth to average 5% p.a. over the next five years".

COMPLETED AND  
CONTRACTED HOMES  
As at 31 December 2023



## COMMUNITY ENGAGEMENT

- Continuing Simple Life's traditional of Christmas events, Santa Parades took place across all the Company's developments.
- Residents took part in Simple Life's '12 Days of Christmas' charitable initiative, by nominating the charities that were to receive Christmas donations. This year, 24 charities across the country each received a £1,000 donation.
- Another Christmas initiative was the launch of an in-app Christmas game. Over 550+ residents took part, with the three top scorers winning money off their rent.
- Through its charity partner, Alzheimer's Research UK, Simple Life organised a tour of the Brain Bank laboratory in Manchester and the laboratory at Salford Royal Hospital for Simple Life residents, staff and business partners.



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