

4 April 2024

**Home REIT plc**  
**("HOME" or the "Company")**

**Monthly Update**

The Board and AEW UK Investment Management LLP ("AEW" or the "Investment Manager") provide their monthly update in respect of March 2024.

**Summary**

- As announced on 28 March 2024, 63 properties exchanged for sale at auction for a total of £6.1m with completion expected during April.
- Repayment of £5.1m of debt to the Company's lender in March comprising a cash repayment of £4.5m and net break gains of £0.6m applied to loan principal. Total borrowings reduced to £144.0m.
- The Company continues to make good progress on re-financing, as part of the strategy for the long-term financial stability of the Company.
- An additional 67 internal property inspections have been completed in March taking the total to 1,971 as at 31 March 2024. The inspection programme is due to continue into April.
- The Company continues to progress legal action against selected non-performing tenants.
- As announced on 2 April, the Board of Home REIT plc appointed Peter Williams as Senior Independent Non-Executive Director with immediate effect.

**Portfolio and Financial Highlights**

<b>Financial Position (Unaudited)</b>	<b>As at 31 August 2023</b>	<b>As at 31 March 2024</b>
<b>Valuation:</b>		
Draft August 2023 Valuation	£412.9m	£334.1m <sup>1</sup>
Number of properties	2,473	2,017
<b>Cash and Borrowings:</b>		
Unrestricted Cash	£0.8m	£9.1m
Total Cash	£13.5m	£12.6m
Borrowings	£220.0m	£144.0m
Net Debt	£206.5m	£131.4m
<b>Income:</b>		
Annual Contracted Rent	£53.9m	£37.3m
Tenants <sup>2 3</sup>	29	26
Properties under lease to tenants	2,358	1,831
Properties under separate management agreement	115	127
Properties under property management agreements - Direct Let (PRS)	-	59
	<b>To date</b> 1 September 2023 to 31 March 2024	<b>Month</b> 1 March 2024 to 31 March 2024
<b>Investment Activity:</b>		
Properties sold in the period	£79.7m	£5.1m
Number of properties sold in period	456	62
Properties exchanged in period/not yet completed	£15.8m	£6.1m
Number of properties exchanged not yet completed at period end	252	63
<b>Rent collection:</b>		
Rent collection <sup>4</sup> %	11%	8% <sup>5</sup>
Rent collection total	£2.8m	£0.2m
<b>Inspections:</b>		
Completed	1,971	67
<b>Occupancy:</b> (at date of inspection on 1,463 Vibrant inspections)		
Occupancy (at least one bed occupied)		78%
Vacant (whole building)		22%

<sup>1</sup> Proforma value at 31 March 2024 being draft less (as announced on 20 December 2023) less disposals in period at 31 August 2023 valuation.

<sup>2</sup> Excluding properties under separate management agreements

<sup>3</sup> Excluding properties under property management agreements with HOME having direct AST leases with occupiers

<sup>4</sup> Rent collection - rent collected including arrears /rent invoiced for the period

<sup>5</sup> An additional £0.1m of rent was transferred by tenants on Friday 29 March 2024, which was a bank holiday, therefore the funds did not clear until 2 April. These receipts will therefore be reported in April's rent collection figures. If this amount was included in March, the rent collection would be 12%.

## FOR FURTHER INFORMATION, PLEASE CONTACT:

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For more information, please visit the Company's website: [www.homereituk.com](http://www.homereituk.com)

### Portfolio assessment

- AEW continues to undertake its comprehensive review and data collection exercise of the property portfolio. Analysis of the underlying condition of the properties is paramount to determine suitability, capital expenditure requirements and income and capital returns prospects for each asset as AEW works to rationalise the portfolio as part of the stabilisation strategy.
- The inspection programme continues to require significant co-ordination with multiple parties and is due to continue throughout April. Vibrant and AEW continue to prioritise completion of the inspection programme with 80% of the portfolio inspected as at 31 March 2024.

### Investment Activity

- Following announcements of exchanges at auction in previous months, 62 properties completed during March for a total of £5.1m and 252 properties remain exchanged for sale for a total of £15.8m with completion expected in April.
- As announced on 28 March 2024, 63 properties exchanged for sale at auction for a total of £6.1m being £0.5m (7.7%) below the draft JLL August 2023 values. The majority of the properties exchanged were below the portfolio average lot size which may cause a greater percentage variation when comparing sale price to the August draft valuation.
- Since August 2023, the Company has completed on the sale of 456 properties and exchanged on a further 252 properties. The gross proceeds from properties sold and exchanged totals £95.5m, which in aggregate is in line with the August 2023 draft valuation.
- Sale proceeds continue to be used to reduce borrowings and provide working capital.

### Rent Collection and tenant engagement

- AEW continues to focus on obtaining control of the portfolio with legal action being taken against non-performing tenants. The Company is progressing negotiations with a number of tenants to facilitate restructuring of leases and rationalisation of the portfolio, further announcements will be made in due course.
- Rent collected on operating leases including arrears represents 8% of the rent invoiced for the month of March. A further 4% (£0.1m) was transferred by tenants prior to month end but did not clear until 2 April, and as such will be reported in April collections. AEW continues to work with select tenants on payment plans. It is anticipated that rent collection will vary month on month in the near term as AEW continue to work on stabilising the portfolio and pursues legal action.
- AEW continues active dialogue with a number of providers who have significant demand for properties for Supported Living and other forms of Social Use accommodation.
- AEW continues undertaking a comprehensive onboarding process for these new providers and property managers which involves qualitative and quantitative assessments including desktop and physical assessments of their operations and existing stock.
- On 2 April 2024, the Company signed new 5-year leases on eight properties with a specialist provider of accommodation and support services to public bodies, working primarily to prevent homelessness. The tenant currently supports over 5,000 vulnerable individuals and families every night by partnering with over 100 local authorities. The properties will be used to house vulnerable individuals. The properties were previously leased to Serenity Support CIC who has been in liquidation since 6 June 2023. The new lease allows Home REIT to receive a sustainable income stream in line with the Investment Policy.
- AEW continues to make good progress with the stabilisation strategy and further announcements on re-tenanting will be made in due course.

### Financial position and related matters

- Although AEW continues to implement strategies to increase rental income, further sales are expected in the near term as part of the strategy to stabilise the financial position of the Company.
- The Company had £12.6m cash balance as at 31 March 2024 of which £9.1m is unrestricted.
- The Board and AEW continue to engage proactively and constructively with the Company's lender through regular meetings and continue to service interest payments in full as they fall due.
- The Company repaid £5.1m of debt to the Company's lender in March comprising a cash repayment of £4.5m and a net break gain of £0.6m also being applied in repayment of the debt. A total of £76.0m of debt has been repaid since the Company entered the stabilisation period during August 2023.
- As at 31 March 2024, the Company has total borrowings of £144.0m, comprising a £53.7m interest-only term loan, repayable in 2032, with a fixed rate of 2.07% per annum, and a £90.3m interest-only term loan, repayable on 2036, with a fixed rate of 2.53% per annum. An additional fee of 5.00% per annum is charged on the aggregate outstanding loan balances, with the fee accruing on a daily basis from 30 November 2023. The additional fee is payable at the earlier of 28 June 2024 or full repayment of the loans.
- The Company is making encouraging progress on re-financing, as part of the strategy for the long-term financial stability of the Company.

### Valuation, Publication of the annual and interim reports

- JLL, as external valuer, is undertaking valuations of the properties as at 29 February 2024 on the bases of fair value. Relevant announcements on the portfolio valuation will be made in due course.
- The audit process remains on-going with AEW dedicating very substantial resource to complete this key workstream. The completion of the audit is primarily subject to the continuing internal inspection programme, the associated finalisation of the valuation for the relevant financial periods and the application of revised accounting policies back to inception. Access constraints remain a significant challenge for the completion of the internal inspections.
- The Board and AEW are committed to continuing to work with BDO to publish the audited results for both 31 August 2022 and 31 August 2023, during the second quarter of 2024.
- The Board and AEW remain committed to the restoration of trading in the Company's ordinary shares and fulfilling Home REIT's mission of providing accommodation to vulnerable people as soon as is practically possible.

### Shareholder engagement

#### Shareholder engagement

- AEW and the Board continue to engage with the Company's shareholders. AEW's third quarterly online presentation open to all retail shareholders is expected to be held in late April 2024. Further details will be provided in due course.
- The next monthly update is expected to be announced on Tuesday 7 May.

#### Potential Litigation

- The Company intends to bring legal proceedings against those parties it considers are responsible for wrongdoing. The Company cannot comment any further at this stage as to do so may prejudice the Company's position in any potential proceedings. Any relevant announcements in this regard will be made at the appropriate time.

#### Board succession

- As announced on 2 April 2024, the Board of Home REIT plc appointed Peter Williams as Senior Independent Non-Executive Director with immediate effect.
- Having stepped down as Senior Independent Non-Executive Director, Simon Moore will continue in his capacity as a Non-Executive Director of the Company until publication of the outstanding 2023 and 2023 Annual Report and Accounts.
- Good progress continues to be made in identifying a new Chair of the Audit Committee with the process being overseen by Michael O'Donnell. The Company remains well placed to conclude this process in advance of the restoration of the listing of its shares.

#### **Portfolio and tenant breakdown**

<b>Geographic Region As at 31 March 2024</b>	<b>Number of Properties</b>	<b>Number of Properties (%)</b>
North East	715	35.4%
North West	382	18.9%
Yorkshire and the Humber	258	12.8%
East Midlands	190	9.4%
West Midlands	174	8.6%
South West	110	5.5%
London	75	3.7%
South East	68	3.4%
East of England	22	1.1%
Wales	23	1.1%
<b>Total</b>	<b>2,017</b>	<b>100.0%</b>

<b>Top 10 Tenants As at 31 March 2024</b>	<b>Number of Properties</b>	<b>% of portfolio annual contracted rent</b>
Big Help Project Ltd	352	16.7%
One (Housing & Support) CIC	185	15.1%
CG Community Council	54	7.6%
Dovecot & Princess Drive Community Association	52	6.9%
Bloom Social Housing CIC	77	6.9%
Noble Tree Foundation Limited	143	6.4%
LTG Vision CIC	180	5.5%
Mears Ltd	177	5.2%
Gen Liv UK CIC <sup>1</sup>	46	3.9%
Supportive Homes CIC <sup>1</sup>	48	3.4%
<b>Total</b>	<b>1,314</b>	<b>77.6%</b>

<sup>1</sup> In liquidation

Tenants in liquidation (GEN LIV UK CIC, Supportive Homes CIC, Marigold Housing and Eden Safe Homes CIC account for 8.7% of the annual contracted rent as at 31 March 2024).

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