

20 January 2025

REGIONAL REIT Limited
("Regional REIT" the "Group" or the "Company")
Annual Tenant Survey Published
Office Active Occupation Continues to Increase

Regional REIT, the regional office specialist, is pleased to provide an update on the continued return to the office.

Office active occupation^[1] is now ahead of the pre-pandemic level^[2] as companies encourage staff back to the office.

- Current active office occupation has increased to 75.3% from 71.4% (February 2024), above pre-pandemic active occupancy, estimated at 70%.
- Employee occupation remains high at an average of 4 days per week (February 2024: 4 days per week).

The survey is the largest of its kind from the largest owner of regional office assets and is based on the Company's tenants in 112 buildings across the office portfolio. The properties provide space for a broad range of different business sectors that are geographically spread across England, Scotland and Wales.

The survey's results are based on a 74.5% response rate (by rent), with over 28,000 employees having taken part and demonstrate a continuing improvement in the return to the office trend, which is confirmed by other recent reports and studies. For example, a report by Virgin Media O2 Business Movers Index^[3], tracking commuting behaviour in the UK, reported that the number of companies requiring employees to work from company premises three or more days a week has increased to 75% in 2024 from 67% in 2023. Firms in the study seeking staff back in the office for at least four days a week also increased to 50%, up from 46% previously. Nearly 40% of British workers now commute five days a week according to the study.

[1] Active occupation being the average desk occupancy during business hours. For example, if a company had 100 desks, then on average during business hours 75 desks would be occupied, with the balance unoccupied due to absences from holidays, illness, or out of the office on business.

[2] Savills, European Office Occupancy March 2023

[3] Virgin O2 Business Movers Index Q3 2024

Stephen Inglis, Asset Manager of Regional REIT and Head of ESR Europe LSPIM, commented:

"Our latest annual survey further confirms the significant and increasing role that 'the office' plays in ongoing business life, further building on the positive trends that we observed in our previous tenant surveys."

An increase in active occupation, in tandem with employees back in the office for an average of four days per week, demonstrates a clear positive trend and an encouraging backdrop for the regional office market. This will over time, result in improving demand for office space and with limited supply, will result in improved occupancy in the UK office markets and rental growth."

- ENDS -

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About Regional REIT

Regional REIT Limited ("Regional REIT" or the "Company") and its subsidiaries (the "Group") is a United Kingdom ("UK") based real estate investment trust that launched in November 2015. It is managed by ESR Europe LSPIM Limited, the Asset Manager, and ESR Europe Private Markets Limited, the Investment Adviser.

Regional REIT's commercial property portfolio is comprised wholly of income producing UK assets and comprises, predominantly of offices located in the regional centres outside of the M25 motorway. The portfolio is geographically diversified, with 131 properties, 1,303 units and 808 tenants as at 30 September 2024, with a valuation of c.£648.8m.

Regional REIT pursues its investment objective by investing in, actively managing and disposing of regional Core and Core Plus Property assets. It aims to deliver an attractive total return to its Shareholders, targeting greater than 10% per annum, with a strong focus on income supported by additional capital growth prospects.

The Company's shares were admitted to the Official List of the UK's Financial Conduct Authority and to trading on the London Stock Exchange on 6 November 2015. For more information, please visit the Group's website at www.regionalreit.com.

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