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The PRS REIT plc
("PRS REIT" or "the Company")

Second Quarter Update

Continued Strong Portfolio Performance

The PRS REIT, the closed-ended real estate investment trust that invests in high-quality, new build, family homes in the private rented sector ("PRS"), is pleased to provide an update on activity for the second quarter (1 October to 31 December 2024) of its financial year ending 30 June 2025.

Market fundamentals remain favourable

The key drivers for the Company's business model remain strong, despite recent market volatility, and are reflected in the Company's trading performance. There is a significant shortage of high-quality, single-family rental homes in the UK and the rising population and increase in household formation also fuel demand.

The Company provides homes that are energy efficient and well-located, close to employment centres, good primary schools, local amenities and transport links. It is also focused on providing residents with a high level of customer service through the award-winning rental brand, Simple Life. These factors underpin the PRS REIT's position in the market and its portfolio of single-family houses remains the largest of its kind in the UK.

Portfolio performance over the three months ended 31 December 2024

	At 31 Dec 2024	At 30 Sept 2024	At 31 Dec 2023
Number of completed homes	5,437	5,425	5,264
Estimated rental value ("ERV") per annum	£68.6m	£67.5m	£60.3m
Number of contracted homes	41	151	312
ERV per annum	£0.4m	£1.6m	£3.1m
Completed and contracted sites	71	72	72
ERV of completed and contracted sites*	£69.0m	£69.1m	£63.4m
Rent collected in period relative to rent invoiced for the same period	99%	100%	99%
Like-for-like rental growth on stabilised sites in the preceding 12 months	11%	12%	11%

**based on all completed units being occupied/income producing*

Delivery programme

In the period, after considering net returns, the Board decided not to exercise the PRS REIT's option to acquire a previously contracted site once it became completed and fully let. This resulted in the total number of sites decreasing to 71 from 72, with a corresponding decrease in both the number of completed and contracted homes and ERV.

The delivery programme is nearing its end and during the second quarter of the financial year, which included the Christmas period, a further 12 homes were completed, taking the portfolio on 31 December 2024 to 5,437 completed homes (31 December 2023: 5,264), with just 41 rental homes (on one site) left to be completed.

The estimated rental value ("ERV") of the 5,437 completed homes at 31 December 2024 was £68.6m per annum (31 December 2023: 5,264 homes with an ERV of £60.3m per annum). The remaining 41 homes still under way have an ERV of £0.4m per annum and are expected to be completed by the end of June.

Portfolio Performance

Rent collection for the period was 99% and physical occupancy at 31 December 2024 was at 96%, with 5,232 of the 5,437 completed homes occupied. At this point, a further 35 homes were reserved for applicants who had passed referencing and paid rental deposits but had not yet moved in. Including this cohort, occupancy at 31 December 2024 was 97%.

Total arrears net of bad debt provision at 31 December 2024 was £1.0m, which remains low as a proportion of the enlarged portfolio (31 December 2023: £1.0m) given the seasonal increase around the Christmas period. Like-for-like rental growth on stabilised sites over the year to 31 December 2024 was 11% (year to 31 December 2023: 12%). Affordability (which is average rent as a proportion of gross household income) continues to be favourable at 23% (2023: 22%) and is significantly better than Homes England's guidance of less than 35%.

Rent collection is defined as rent collected in the period against rent invoiced in the same period.

Dividend

The Board expects to declare an interim quarterly dividend in respect of the three months ended 31 December 2024 in mid-March 2025.

Strategic Review and Formal Sale Process

As previously reported on 3 December 2024, the Board is in active discussions with a number of interested parties in relation to a potential sale of the Company. It also continues to explore all the options available to the Company, focusing on maximising value for the Company's shareholders. A further update will be made in calendar Q1 2025.

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NOTES TO EDITORS

About The PRS REIT plc www.theprsreit.co.uk

The PRS REIT plc is a closed-ended real estate investment trust established to invest in the Private Rented Sector ("PRS") and to provide shareholders with an attractive level of income together with the potential for capital and income growth. The Company is investing over £1bn in a portfolio of high-quality homes for private rental across the regions, having raised a total of £0.56bn (gross) through its Initial Public Offering, on 31 May 2017 and subsequent fundraisings in February 2018 and September 2021. The UK Government's Homes England has supported the Company with direct investments. The Company is listed on the Closed-ended investment funds category of the FCA's Official List and its Ordinary Shares are traded on the London Stock Exchange's Main Market. It is a constituent of the FTSE 250 Index. With 5,437 new rental homes as at 31 December 2024, the Company believes its portfolio is the largest build-to-rent single-family rental portfolio in the UK.

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About Sigma PRS Management Ltd

Sigma PRS Management Ltd is a wholly-owned subsidiary of Sigma Capital Group Limited and is Investment Adviser to The PRS REIT plc. It sources investments and operationally manages the assets of The PRS REIT plc and advises the Alternative Investment Fund Manager ("AIFM") and The PRS REIT plc on a day-to-day basis in accordance with The PRS REIT plc's Investment Policy. The AIFM is G10 Capital Limited. Sigma PRS Management Ltd is an appointed representative of G10 Capital Limited, which is authorised and regulated by the Financial Conduct Authority (FRN:648953).

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