

QUARTERLY UPDATE

Q3 FY 2024 – three months ended 31 March 2024

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.



Q3 FY2024

Completed homes: 5,308 at 31 March 2024 with ERV of £62.28 p.a.
Rent collected in Q3 FY24 was 101% of rent invoiced over the same period
Equity raised to date: £555.6m
Debt facilities (investment and development): £460m <i>Gearing restricted to maximum 45% of gross asset value</i>
NAV at 31 Dec 2023: 123.6p per share
Launch date: 31 May 2017
Year end: 30 June
Market capitalisation: c.£433m (11 Apr 2024)
Shares in issue: 549,251,458
Share price: 78.8p (11 April 2024)
Board of Directors:
Steve Smith, Chairman
Karima Fahmy, Non-executive Director
Steffan Francis, Non-executive Director
Roderick MacRae, Non-executive Director
Geeta Nanda, Non-executive Director
Investment adviser: Sigma PRS Management Ltd, a subsidiary of Sigma Capital Group
Registered address: 1 St Ann Street, Manchester, M2 7LR
Fund Structure: UK Real Estate Investment Trust
SEDOL: BF01NHS
ISIN: GB008F01NH51

DELIVERY PROGRAMME

Reflecting the advanced stage of the delivery programme, 44 new rental homes were completed and added to the portfolio in Q3. This took the number of completed homes in the portfolio to 5,308 completed homes at 31 March 2023. A further 268 homes were under way, at that date, with homes at varying stages of the construction process.

The estimated rental value ("ERV") of the 5,308 completed homes is £62.3m p.a. This compares with 5,010 completed homes and £52.7m of ERV at 31 March 2023. The year-on-year rise in ERV reflects both the increase in completed homes and strong rental growth.

Once the 268 homes are complete, the portfolio's ERV is expected to increase to c.£64.2m p.a.

STRONG ASSET PERFORMANCE

> Rent collection** during Q1 was 101%, which reflects catch-up rental payments made after Christmas.

> Occupancy was 97%, with 5,158 homes occupied out of 5,308 completed homes at 31 March 2024.

> Total arrears net of bad debt provision stood at £1.0m at 31 December 2023 and at £0.6m at 31 January 2024.

ASSET PERFORMANCE cont.

At 31 March 2024 were £0.6m (31 March 2023: £0.7m).

- > In the 12 months to 31 March 2024, like-for-like rental growth on stabilised sites was 11.7% (2023: 5.7%).
- > Affordability remains very strong, with average rent as a proportion of gross household income at c.23%. 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 Q3 FY24 is expected to be declared towards the end of April 2024.

> A dividend of 1.0p per share was paid in respect of each of Q1 and Q2 FY 24

> The total dividend target for FY24 is 4.0p

	At 31 Mar 2024	At 31 Dec 2023	At 30 Mar 2023
Completed homes			
Number of completed homes	5,308	5,264	5,010
Estimated rental value ("ERV") per annum	£62.3m	£60.3m	£52.7m
Contracted homes			
Number of contracted homes	268	312	516
ERV per annum	£2.4m	£3.1m	£5.2m
Completed and contracted sites			
ERV per annum of completed and contracted homes	£64.7m	£63.4m	£57.9m
Like-for-like rental growth on stabilised sites in the preceding 12 months	12%	11%	5.7%
	Q3 FY24	Q2 FY24	Q3 FY23
Rent collected in period	101%	99%	101%

* 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

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INVESTMENT OBJECTIVES

- > The PRS REIT aims to 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 (Quarterly)

Per Share

FY 2024 so far	2.0p
FY ended 30 June 2023	4.0p
FY ended 30 June 2022	4.0p
Period from IPO to 30 June 2021	18.0p
Total since IPO	28.0p

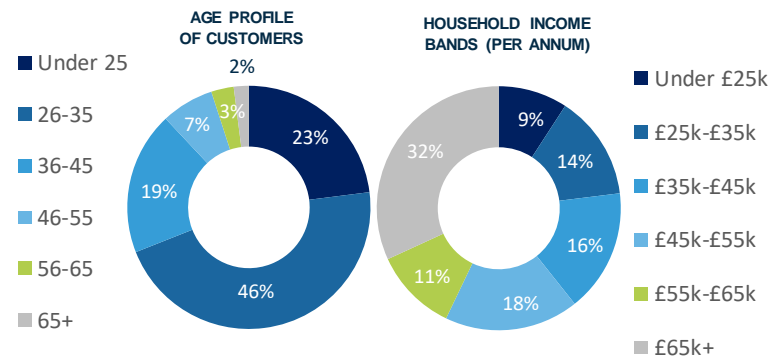
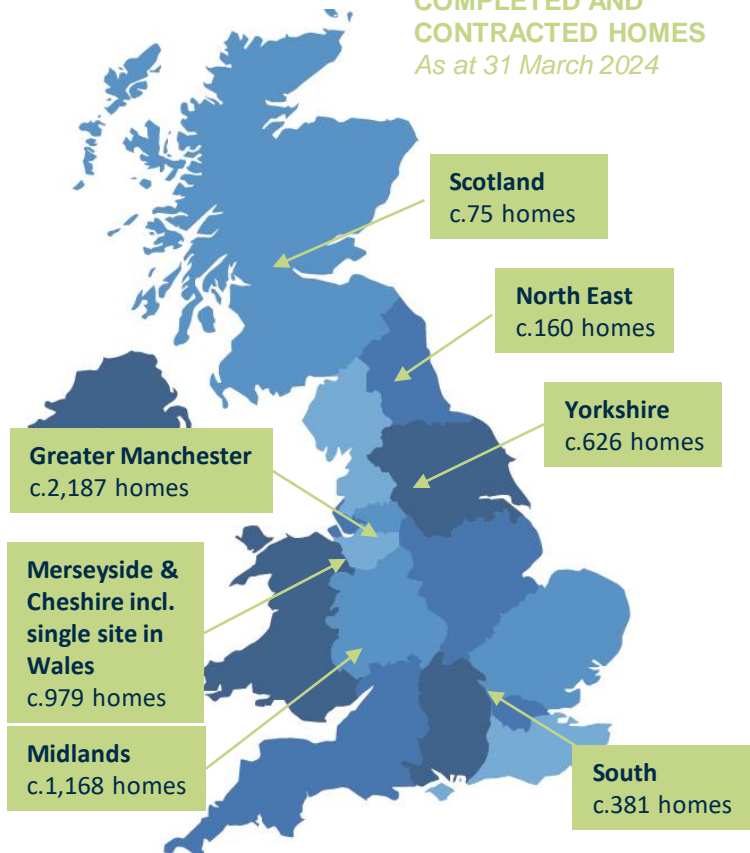
MARKET OPPORTUNITY

High-quality rental homes in the UK remain undersupplied while rental demand continues to be high.

On 8 April 2024, the National Residential Landlord Association made the following comments on the private rented sector: “an increasing number of people at all stages of their life now rely on the private rented sector. However, with demand far outstripping supply, there are an average of 15 prospective tenants chasing every rented property, double the pre-pandemic level. The impact of rising interest rates and tax increases should not be downplayed. 82% of buy-to-let loans are interest only and the number of buy-to-let mortgages in arrears more than doubled in the final quarter of 2023 compared to the year before. Ultimately, a healthy rental market is one in which there is a supply of rented housing to meet ever growing demand.”

Commentators expect rental growth to continue but not at the elevated levels seen over the last two years. Zoopla’s March 2024 Rental Market Report stated that annual rental growth is at +7.8%, which is down from +11% a year ago. It reflects growing affordability pressures on renters rather than a big boost in rental supply.

COMPLETED AND CONTRACTED HOMES
As at 31 March 2024



COMMUNITY ENGAGEMENT

- Simple Life is continuing its support for Embassy, a charity based in Manchester, which resettles and assists the homeless. In particular, the Investment Manager has donated a property free of charge for two years to support homeless women in Manchester.
- Simple Life’s Biodiversity Project, conducted in partnership with GreenTheUK, now has projects established with 26 schools close to housing developments. The initiative has delivered wildflower and vegetable workshops, tree-planting and rewilding sessions to children, with further education days planned for Spring 2024.
- Simple Life continues to support foodbanks in Liverpool, Manchester and Wolverhampton.



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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