

9 December 2015

ALPHA REAL TRUST LIMITED (“ART” OR THE “COMPANY”) ANNOUNCES £3.75 MILLION PURCHASE OF RESIDENTIAL DEVELOPMENT SITE, “MONK BRIDGE”, LEEDS

Summary

ART announces the purchase of a central Leeds development site. The site has planning consent for 269 residential apartments over 140,000 net saleable square feet with potential for ground floor commercial development within existing disused railway arches.

Following the Company’s investment in the Unity & Armouries site in Birmingham (announced on 2 July 2015), this investment also targets the increasing growth opportunities identified in the Private Rental Sector (“PRS”) residential market.

The Company’s £3.75 million (net of VAT, including associated costs) purchase of Monk Bridge was funded from cash reserves. The project has a potential gross development value in excess of £55 million.

Investment Rationale

The Monk Bridge development has a total site area of 1.7 hectares (4.2 acres) with implemented planning consent providing 269 units totalling 140,000 square feet across two buildings. The development earlier had outline consent for 720 units, totalling 392,000 net saleable square feet, now lapsed.

Taking into account likely supply, JLL forecast that from 2015-2019, house prices in Leeds city centre will rise by 22.8% and rental values will increase by 19.3% over the same period.

Post development, the investment can create an opportunity for resilient equity income returns at an attractive yield on cost, with potential for operating leverage to further improve returns. The investment also offers scope to secure capital growth as the site matures or planning is enhanced. This acquisition, along with the purchase of the Unity & Armouries site in Birmingham, will further assist in securing a portfolio of critical mass to afford participation in a maturing market which is attracting greater institutional participation.

The investment provides the Company with flexibility to add value by either undertaking the development with debt or contractor finance and subsequently holding the completed asset as an investment or forward selling all or part of the developed units. ART may also potentially benefit from government support for borrowings securing PRS assets under the private rented sector housing guarantee scheme.

Supporting Information

The Monk Bridge development site is located in the West End area of Leeds city centre. The area around the site comprises a mix of commercial and residential apartments, as well as a number of temporary/surface car parks. On the site adjacent to Monk Bridge a 10 storey office development, Latitude Yellow, has received planning permission. The Monk Bridge site connects directly with Wellington Place, comprising a number of completed offices, with further mixed use development underway. The site is located close to Leeds Railway

Station, the main office core and extensive city centre facilities. These include the recently opened high profile retail and leisure destination, Trinity Leeds.

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