

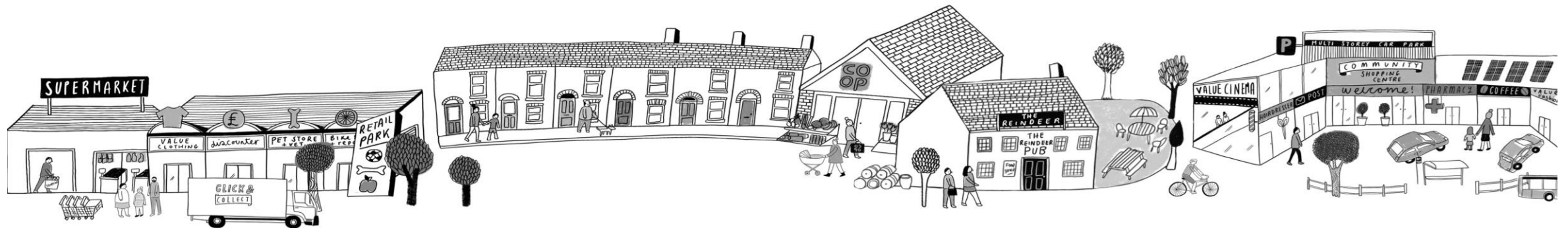
CONVENIENCE & COMMUNITY

Regenerating Our Town Centres

Emma Mackenzie
Director

10 JULY 2019

- About NewRiver
- Market Context
- Challenges facing the retail sector
- What does this mean for our town centres?
- Partnership & opportunities for positive change
- Measuring successful regeneration
- Summary



- Specialist investor in convenience & community retail and leisure assets
- FTSE 250 Real Estate Investment Trust founded in 2009
- Founding management team have over 100 years of combined experience operating in UK property market
- Portfolio totalling £1.3 billion
- Invested in 700+ communities across the UK, working with 60+ local authorities
- One of the UK's largest owner/managers of shopping centres
- Strong relationships with retailers and Local Authorities
- Conservative financial policies and a fully unsecured debt structure
- High level of corporate governance, transparency and ESG commitment

ABOUT NEWRIVER

FTSE 250

Listed
REIT

£1.3BN

Portfolio
Valuation

9M SQ FT

Lettable
Space

£127.1M

Revenue

21.6P

Dividend
Per Share

261P

Net Asset Value
Per Share

- 1 We target high yielding community assets with low risk characteristics, taking a disciplined approach. Our market experience means we are able to price risk appropriately
- 2 We enhance and protect income returns through active asset management initiatives, drawing on our in-house expertise, a deep understanding of our market and strong relationships with our occupiers
- 3 We create income and capital growth from within our existing portfolio through our risk-controlled development pipeline
- 4 We regularly assess potential upside opportunities in disposing of assets and recycling capital into new opportunities
- 5 We leverage the scale and expertise of our platform, underpinned by a conservative and unencumbered balance sheet





Margaret Ford OBE
Chairman



Allan Lockhart
Chief Executive

NEWRIVER REIT PLC BOARD

Executive Committee

Market leading retail team & platform

Supported by expert corporate team

Asset management
13 heads

Development
6 heads

Property analysts
4 heads

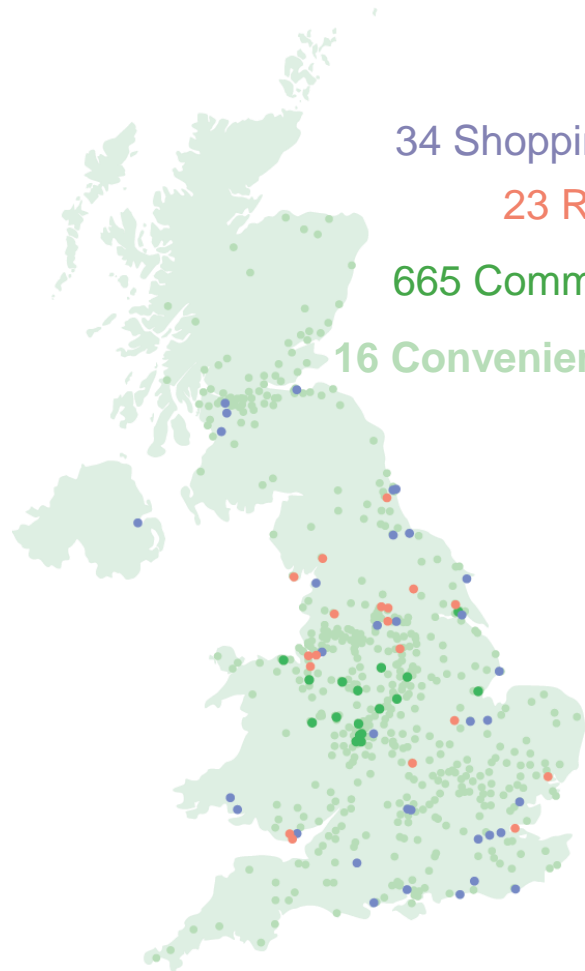
Marketing
4 heads

Strategy & Corporate Finance
4 heads

Financial Planning & Analysis
3 heads

Financial Reporting & Management Accounts
9 heads

HIGH-QUALITY & GEOGRAPHICALLY DIVERSE PORTFOLIO



34 Shopping Centres
 23 Retail Parks
 665 Community pubs
 16 Convenience stores

- 95% RETAIL OCCUPANCY
- 9 MILLION SQ FT
- 84% RETENTION RATE
- 800+ OCCUPIERS
- 290 LEASING EVENTS
- 150 MILLION FOOTFALL
- 1.9 MILLION SQ FT DEVELOPMENT PIPELINE

Statistics as at 31 March 2019



Source: The Local Data Company, May 2019. Data presented is for the 12 months to 31 March 2019

Enhancing the communities we serve, minimising our impact on the environment and creating social value

- Our ESG objectives underpin every aspect of our business helping us deliver both profit and purpose
- We publish a standalone ESG report each year outlining progress from our comprehensive ESG programme
- Our ESG activities are informed and shaped by both external benchmarks and guidance, and our own internal ESG targets
- Our Board of Directors is fully compliant with the UK Corporate Governance Code and is led by Baroness Margaret Ford

Our ESG objectives

Minimising our environmental impact

Engaging our staff and occupiers

Supporting our communities

Leading on governance and disclosure



Partnership with Instavolt has seen 18 electrical vehicle chargers, powered by renewable energy, installed across our portfolio

In September 2018, achieved a 35% improvement in GRESB Score on the prior year and a Green Star

£862,700 raised for charities in FY19, including over £30,000 raised from NewRiver's 'Way of the Roses' 3 Day Cycle Challenge. FY20: Trussell Trust

In October 2018, the Abbey Centre, near Belfast recognised for its efforts to make the centre a more autism-friendly environment.

MARKET CONTEXT



Oversupply of Space

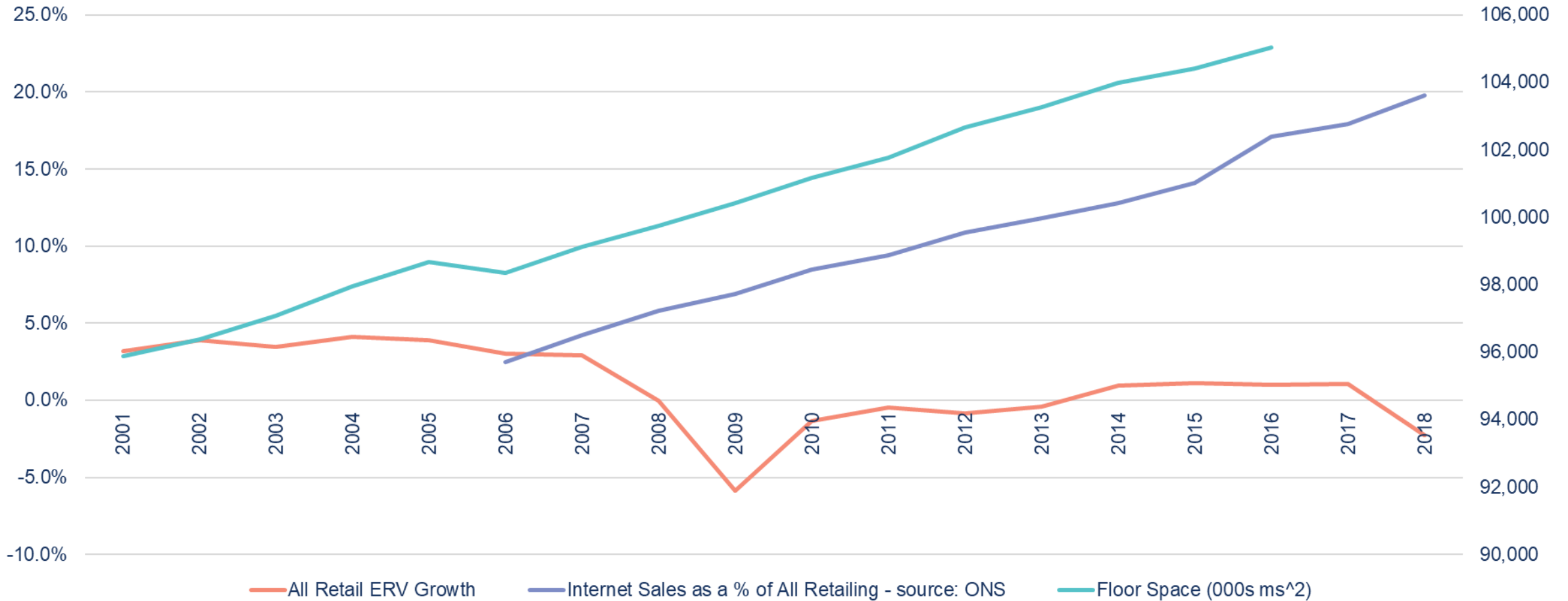
Vacancy rates have trended upwards since 1981 across all property sectors. However, excluding Supermarkets, All Retail subsector vacancy rates were higher than their long-term average between 1981 to 2017

Vacancy Rate by Floor Space: Retail Subsectors



Digital Impact: Internet sales have further compounded the problem

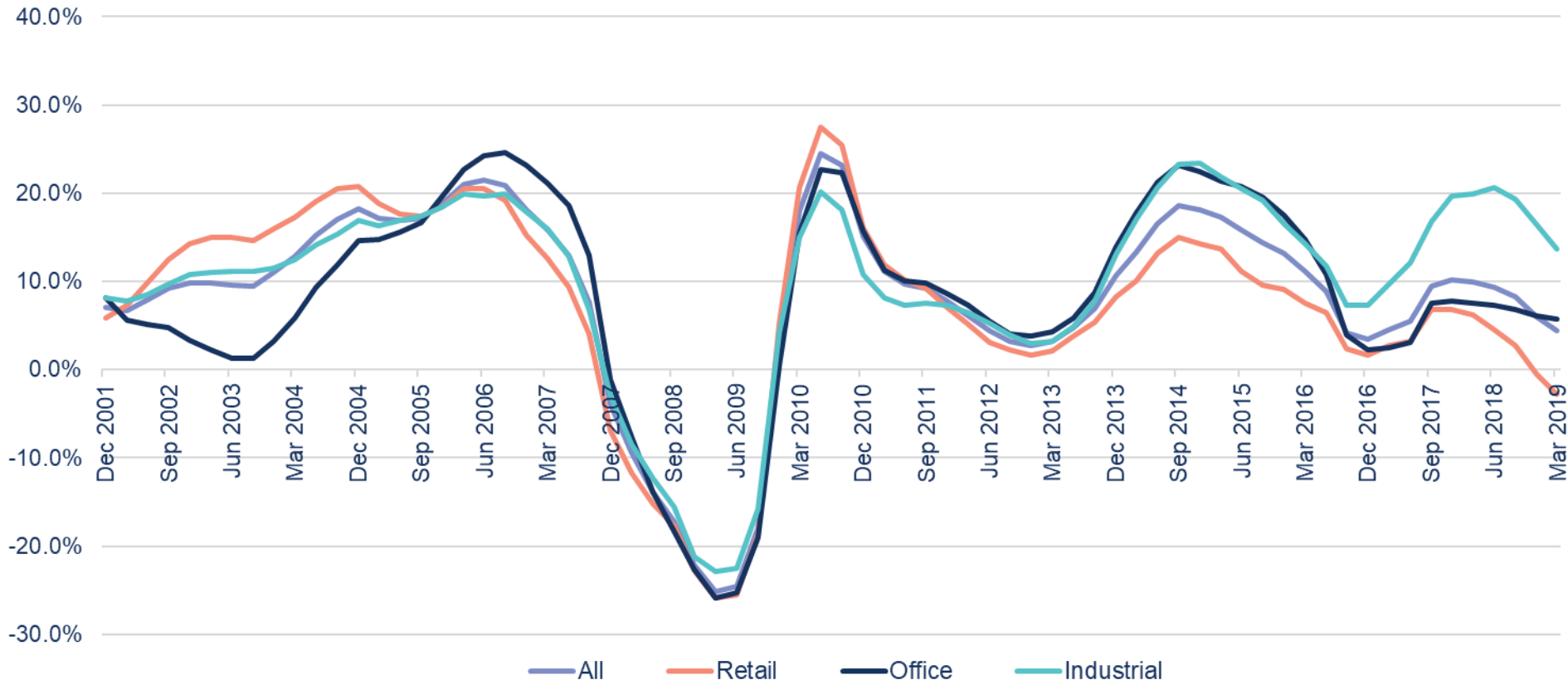
Total Retail Floor Space vs Internet Sales vs All Retail ERV Growth



Decline of Capital Values 2018

Aggregate impact has led to a decline in capital values with retail underperformance widening

12 Month Rolling Total Return



OPPORTUNITY

Market dislocation presents attractive **buying opportunities**, with **accretive returns** for astute investors

However this requires **specialist & experienced operators** to accurately **price risk** and asset manage the retail assets

NewRiver is recycling capital into **joint ventures** to take advantage of the opportunities, with both **local authorities** and **private equity**.



Ageing
Population



Home
Ownership



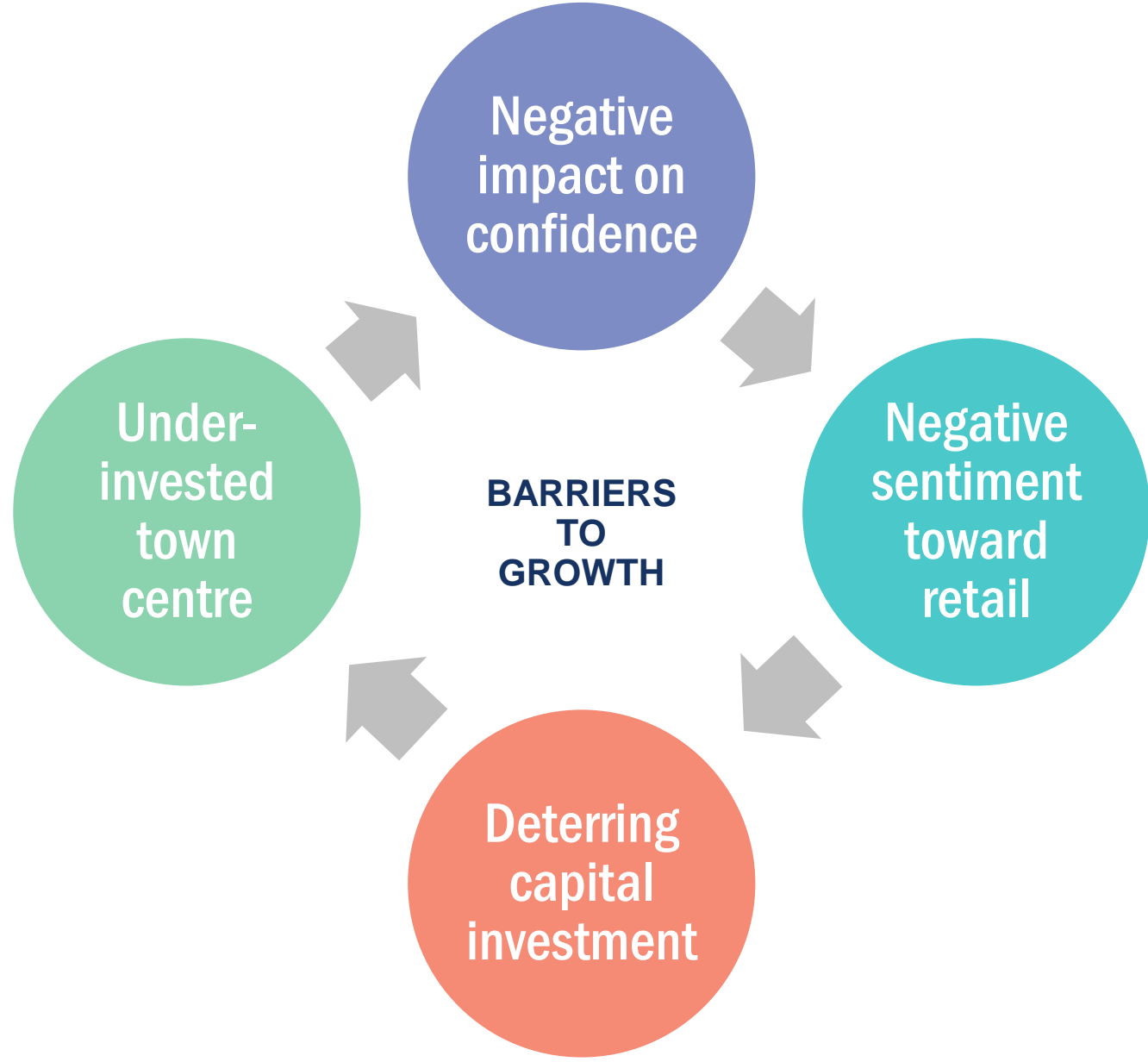
Environment



Profit &
Purpose

WHAT DOES THIS MEAN
FOR OUR TOWN CENTRES?





GREATER INTERVENTION: Strategic & collaborative approach required to safeguard the future of communities

FUNDAMENTALS

- Purpose & Profit
- Leadership – intervention, collaboration & funding
- Private / Public Partnership – shared responsibility to mitigate risk
- Mix of complementary uses including retail, consumer services, civic services, F&B and leisure
- Employment
- Residential – student accommodation, retirement, PRS, affordable housing
- Healthcare and wellbeing amenities to cater for an ageing population
- Infrastructure, transport links & parking
- Education
- Culture and attractive public spaces

REFORM

- Standalone social impact assessment within planning policy
- Independent retail impact assessments
- Terminate business rates on empty units
- Better control of the total retail development area within a catchment
- New primary healthcare facilities located in the town centre alongside the retail and leisure
- Reduce stamp duty incurred on retail assets
- Level playing field between physical and online retailers
- Viable car parking
- Increased research for Local Authority Planning & Regeneration departments

METRICS FOR SOCIAL & ECONOMIC PROSPERITY

Footfall to the town

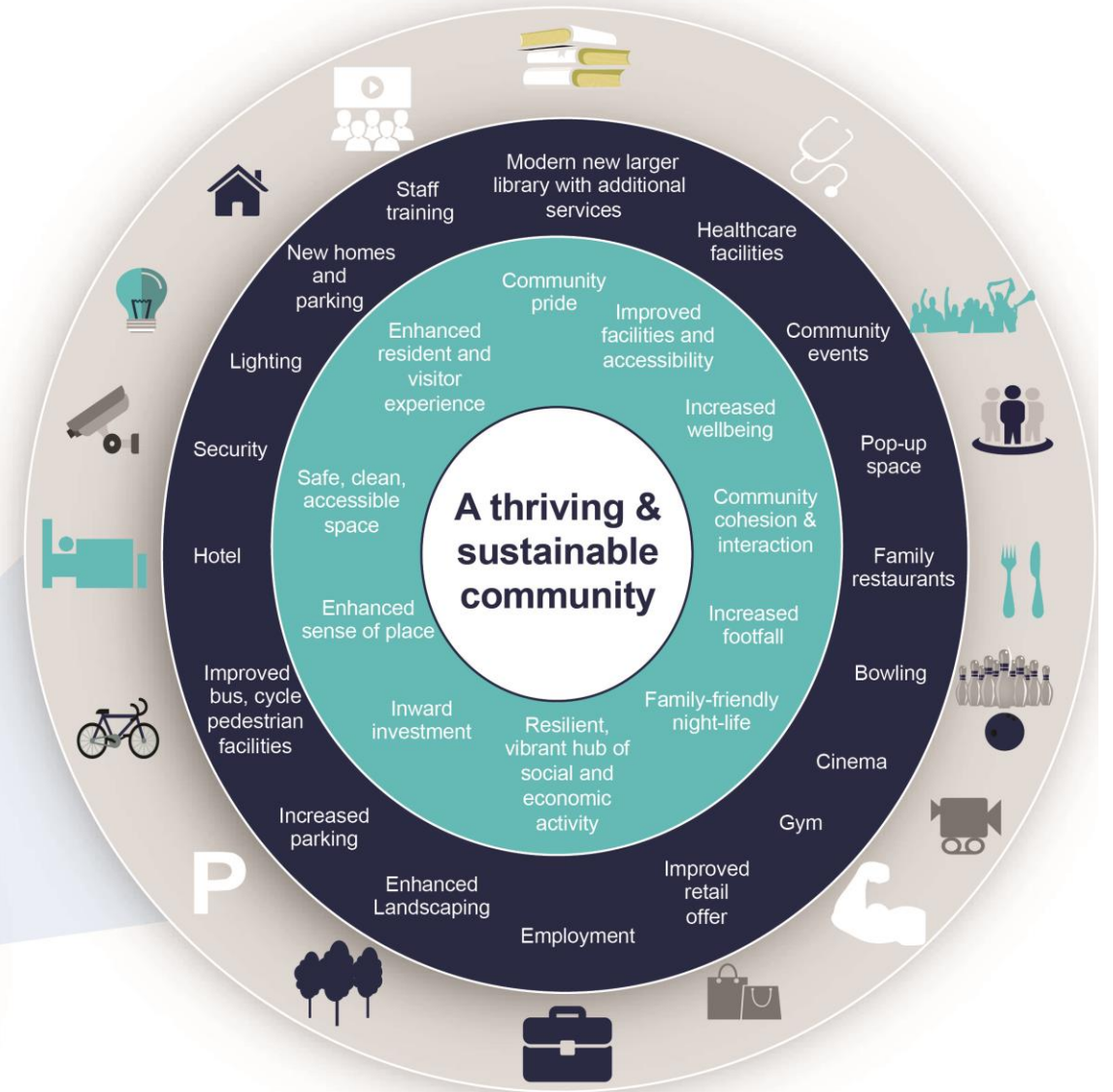
Employment

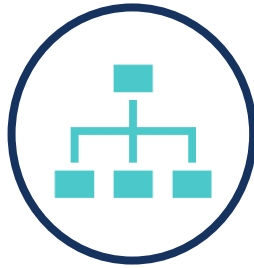
Homes

Vacancy Rates

Education

Crime Rate





Private /
Public
Partnership



Residential
development



Additional
uses



Cost
Reduction

£65 MILLION MIXED USE TOWN CENTRE REGENERATION



- Town, District & County Council partnership
- Revised plans to reduce retail & increase leisure and community uses provision
- New national & independent shops and restaurants
- 10 screen multiplex Cineworld cinema
- 16-Lane Hollywood Bowl
- 85 bed Travelodge
- Much needed new homes
- Brand new library for the town - Changing Places Toilet
- Improved public spaces - space for community events

PARTNERSHIPS & JOINT VENTURES

LOCAL AUTHORITIES PARTNERSHIP

September 2018

Whitefriars Shopping Centre,
Canterbury

Owner: Canterbury City Council



March 2019

High street units,
Market Harborough

Owner: Market Harborough DC



April 2019

Nicholsons Shopping Centre,
Maidenhead

Owner: Areli Real Estate



BRAVO III Joint Venture: re-established successful partnership & strong endorsement of NR asset management capabilities. JV acquired 4 retail parks for £60.5m, 9.8% NIY

- UK retail market is facing significant challenges
- Changes in the way consumers shop has created an oversupply of retail space
- Leading to declining rents and declining valuations
- Excess retail space needs repurposed in a well-thought through holistic way
- Alternative use strategies imperative
- Struggling to attract investment required to execute
- Relying on the private sector alone will take too long
- Encourage Local Authorities to be more interventionalist to safeguard the future of their communities
- Remove inhibitive barriers - Government must review policy to help unlock important regeneration
- Public / private partnership

**CONVENIENCE
& COMMUNITY**

Emma Mackenzie,

Director

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