

Custodian REIT

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Custodian REIT reports "another successful period of positive shareholder returns"

Custodian REIT PLC (LON:CREI) notched up a net asset value (NAV) total return of 4.3% in the six months to the end of September.

The gain represented an improvement on the 4.2% total return achieved in the corresponding period of 2017.

READ: Custodian REIT offers one of best yields in UK property NAV at the end of September had risen to £427.5mln from £378.6mln a year earlier, equivalent to 108.6p per share (2017:104.9p). Shares in the real estate investment trust (REIT) currently trade at 115p.

The value of the portfolio at the end of September had risen to £547mln from £474.3mln the year before, partly as a result of £27.7mln invested in seven acquisitions, one refurbishment and one development.

Revenue in the first half of the REIT's current fiscal year rose to £19.63mln from £16.71mln the year before.

Profit before tax increased to £16.61mln from £12.23mln.

Basic earnings per share (EPS) improved to 4.3p from 3.8p while using the European Public Real Estate (EPRA) definition, EPS rose to 3.5p from 3.4p.

As at the end of September, net gearing equated to 20.5% on a loan-to-value basis.

The REIT has already declared and paid a second-quarter dividend of 1.6375p and expects, barring unforeseen circumstances, to pay out full-year dividends of 6.55p, up from 6.45p the year before.

The company said the strength of the occupational market and softening yields for prime retail warehouse assets let to blue-chip tenants both represent exciting opportunities.

Rental growth at lease renewal and rent review remain robust. "We expect proactive asset management and rental growth will continue to drive performance in the portfolio and are confident we can maintain occupancy levels, which in turn will sustain our policy of paying a growing and fully-covered dividend to shareholders," the company's chairman, David Hunter, said.

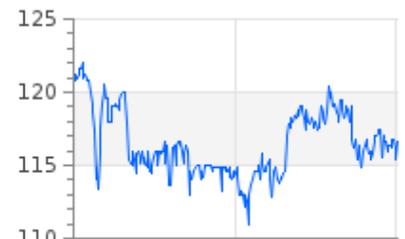
Economies of scale

"We continue to target growth to realise the potential economies of scale offered by the company's relatively fixed administrative cost base and tiered annual management charge," Hunter said.

Price: £1.16

Market Cap: £473.74 m

1 Year Share Price Graph



September 2018 March 2019 September 2019

Share Information

Code: CREI

Listing: LSE

52 week	High	Low
	122.6	111

Sector: Real Estate

Website: www.custodianreit.com

Company Synopsis:

Custodian REIT aims to be the Real Estate Investment Trust of choice for private and institutional investors seeking high and stable dividends from well-diversified UK real estate. Custodian REIT plc was launched as a main-market-listed, property investment company on the London Stock Exchange on 26 March 2014. The company was established with a seed portfolio of £95m and successful IPO, raising further 55m.

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"The board and investment manager are closely monitoring the potential impact of evolving trends in the UK retail industry and 'Brexit' on commercial property markets. Our role is to look beyond the media coverage to weigh up dispassionately the associated risks, which often create opportunity, and we expect proactive asset management will continue to drive performance in the portfolio, as rental growth at lease renewal or rent review remains robust. We also expect occupational demand, combined with a limited supply of new development, to maintain low vacancy rates across our regional portfolio," Hunter said.

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