

Results for the year to March demonstrated the point. The portfolio's value rose by nearly 20% to £93m, net assets per share increased to 183p from 153p and rental income jumped by 19% to £5.6m.

Across the whole portfolio on a reversionary basis, rental income would be over £9m.

Growth like that is more akin to a tech company than a commercial property group and Arnold agrees the performance currently is 'pretty good'.

Unit trust background

So why do the shares, currently 159p and yielding 3.1%, trade at a discount to NAV.

Partly that stems from the history, which saw it set up as a unit trust in Jersey more than a decade ago.

All of the unit holders converted to shares when Circle become a company but very few have any interest in selling, says Arnold, which means even though the company is worth close to £50m, trading is minimal.

Another reason, by management's own choice, is that Circle's performance has been under the radar since it joined AIM in 2016.

But Arnold believes it is time for that to change and to make more people aware of what Circle is achieving.

He admits Brexit uncertainty has made life harder in the property market, with the way forward for companies like Circle to understand the needs of their tenants in terms of size and flexibility.

Having pulled in FTSE 100 giant Compass for one unit at the Kent's Hill Conference Centre, a key site in Milton Keynes, and in doing so already returning a profit on the asset, a second unit has been strategically split up to provide the space that smaller companies need.

Even so, patience is one of Circle's virtues. It has been happy to stick with a property in London's Moorgate area through the hugely disruptive work on the new Crossrail link, confident that rents will climb once all of the construction is completed.

Currently, 80% of the total portfolio is let and income producing, and it is this which makes up the investment side of the portfolio.

The remainder is held within a development portfolio of three office buildings, two of which have been refurbished with Somerset House in Birmingham scheduled for completion soon.

Larger Circle the ambition

Arnold admits he would like Circle to be larger.

Debt is around £48m and some additional equity would help this ambition and loosen up the liquidity, as he is confident the management team will continue to find plenty of opportunities.

"We are trying to find value all of the time. If the building is right, the situation is right and the location justifies the risk - that's the key.

"In those situations it is worth us getting involved and getting our hands dirty in order to unlock the hidden value of the asset."

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