

Circle Property PLC

16:34 28 Jun 2018

Circle Property expects regional demand for high-quality office space to continue

Commercial properties specialist Circle Property PLC (LON:CRC) hailed another successful year, with its net asset value (NAV) per share rising 25%.

The NAV per share at the end of March - the end of Circle's fiscal year - was 230p, up from 183p 12 months earlier.

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There was a 22.6% increase over the year in the valuation of the group's portfolio of 17 UK investment properties to £114.1m from £93.0m at the end of March 2017.

Annual contracted rental income rose 21.5% to £6.83m, driven by asset management initiatives. A further £795,729 has been added to annual rent roll as a result of a letting for the entire office space at Somerset House in Birmingham following the year-end, Circle revealed.

The ongoing strong demand for regional office space is reflected in the high occupancy across the company's portfolio at 99%, excluding recently refurbished buildings.

Profit before tax rose to £13.99m from £9.97m the previous year.

The board has proposed a final dividend per share of 3p to bring the annual dividend to 5.6p, up 12% from the previous year's 5p.

"Since the IPO of the business two years ago, Circle has consistently delivered strong income and dividend returns for shareholders, as well as a 54% increase in NAV," said John Arnold, the chief executive of Circle Property.

"Continued growth in shareholder returns is underpinned by our consistent strategy of investing in well located regional office assets and actively managing the portfolio to grow income and maximise returns. Furthermore, we see no sign of the trend of diminishing office supply in regional cities across the UK abating, as Permitted Development Rights continue to enable the conversion of office stock to residential. As a result, we expect the demand for high-quality office space in the regions to remain robust. Looking ahead, we continue to explore opportunities to grow the company," Arnold said.

Price: 227

Market Cap: £64.81 m

1 Year Share Price Graph



Share Information

Code: CRC

Listing: LSE

52 week High Low
236.8 180

Sector: Real Estate

Website: www.circleproperty.co.uk

Company Synopsis:

Circle Property Plc is a specialist property investment company, registered in Jersey with its shares being quoted on AIM. The company acquires provincial office properties where it can add value by undertaking lease renewals, rent reviews, lettings and refurbishments.

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