

Investec Property Fund increases dividend by 12.2%

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Investec Property Fund on Tuesday, 14 November, upped its dividend per share by 12.2% to 98.37c for the six-months to end-September, bolstered by a one-off antecedent dividend from Investec Australia Property Fund (IAPF).



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On a normalised basis, core year-on-year dividend per share growth was 7.2%, with the fund's net asset value per share remaining stable since March 2017 at R16.94, the company said in a statement.

This was due to negative mark-to-market movements on the interest rate swaps and foreign exchange hedges, which countered the upward revaluation on investment properties.

The fund's base portfolio revenue grew 7.4% during the period, with core rental growing 7%. Vacancies across the office, industrial and retail portfolios increased to 2.6% during the period from 1.4%, however, a letting of a warehouse after the period ended had resulted in vacancies reducing to 1.6%, the company said.

The fund has 119 properties in SA valued at R17.6bn, along with a R1.3bn investment in IAPF, and a R200m investment in Investec Argo UK Property Fund.

IAPF's dividend growth, pre-withholding tax, was 3% during the period, while Investec Argo UK delivered an income return

of 7.1% in pound terms.

The local environment remained a concern. With retailer trading densities and turnover growth on the decline, the company has retained its defensive stance towards SA.

Due to this, guidance provided in May was unchanged for the full year, with dividend growth expected to be between 7% and 8% on a normalised basis, the company said.

At 9.57am the fund's share price was up 0.38% to R15.70, and was up 1.36% so far in 2017.

Source: BDpro

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