



2021 Real Estate Review

Annual review | January 2022

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Bouncebackability

Over the course of 2021, the property sector certainly rebounded from the depths of the pandemic-induced slumps of 2020, with the average share price of listed property companies up 14.2%. That didn't mean there were not some ups and downs along the way. The year started with a pretty stringent lockdown in place, hampering the ability of businesses in the retail, leisure and hospitality sectors to pay rent and thus negatively impacting the value of property and dividends. However, in the background was the monumental vaccine rollout effort that saw the UK economy bounce back quickly, and soon values were back on the up and companies were looking forward with more positivity.

The Omicron variant did threaten to throw a spanner in the works at the end of the year, but as we sit here today there is cautious optimism that the pandemic is coming to an end. Inflation has moved to the top of the agenda, with the UK recording the highest levels in 30 years in December 2021. High inflation is likely to persist for much of the first half of this year, when price indices are compared to periods last year that were in full lockdown. Property companies with inflation-linked leases should be protected to some degree.

It was another year of record performance for the industrial and logistics sector, which was reflected in the share price and net asset value (NAV) of companies focused on this sector. However, the self-storage specialists were the real winners of 2021, with 70% share price rises and 20%-plus NAV growth. QuotedData's annual real estate review rounds-up the events of 2021 and looks at the prospects for 2022.

In this issue

- **Performance data** – Logistics and self-storage specialists dominated the top performers
- **Corporate activity** – Around £3.8bn was raised during the year including the launch of a new REIT
- **Major news stories** – Merger and acquisition activity was rife during the year, with no fewer than six buyouts

Best performing companies in price terms in 2021

	Chg. on year (%)
Safestore	80.6
Harworth Group	71.4
Conygar Investment Company	57.9
Big Yellow Group	55.6
SEGRO	51.6

Property sector performance*

Time period 31/12/20 to 31/12/21



Source: Bloomberg, Marten & Co. Note *: Average share price of listed property companies rebased to 100

Biggest property companies at end of 2021

	Market cap (£m)	Chg. on year (%)
SEGRO	17,273	53.0
Land Securities	5,757	15.2
British Land	4,921	8.6
Tritax Big Box REIT	4,651	61.1
Unite Group	4,431	6.5



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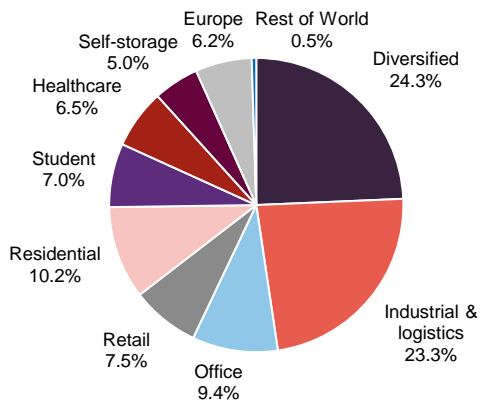
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The property sector in 2021

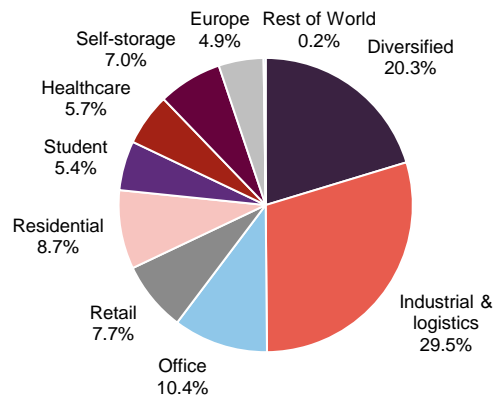
The bounce back in economic activity during the year was reflected in the total market capitalisation of listed property companies and real estate investment trusts (REITs). Overall, the sector grew by almost 22%, or £16.3bn, to £91.1bn.

Figure 1: Property market cap at start of 2021 by sector. Total: £74.8bn



Source: Bloomberg, Marten & Co

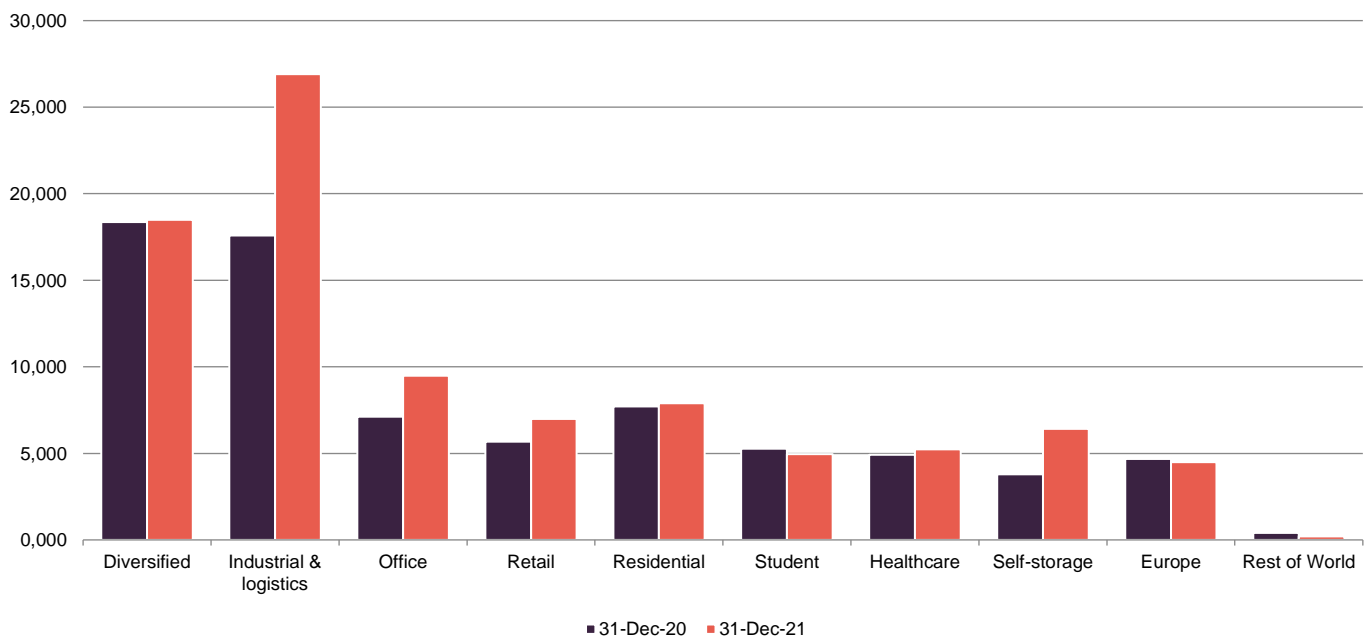
Figure 2: Property market cap at end of 2021 by sector. Total: £91.1bn



Source: Bloomberg, Marten & Co

A breakdown of the property sub-sectors, illustrated in Figures 1 and 2, show that companies focused on the industrial & logistics sector have continued to grow in popularity, benefited from the much-publicised increase in online retailing.

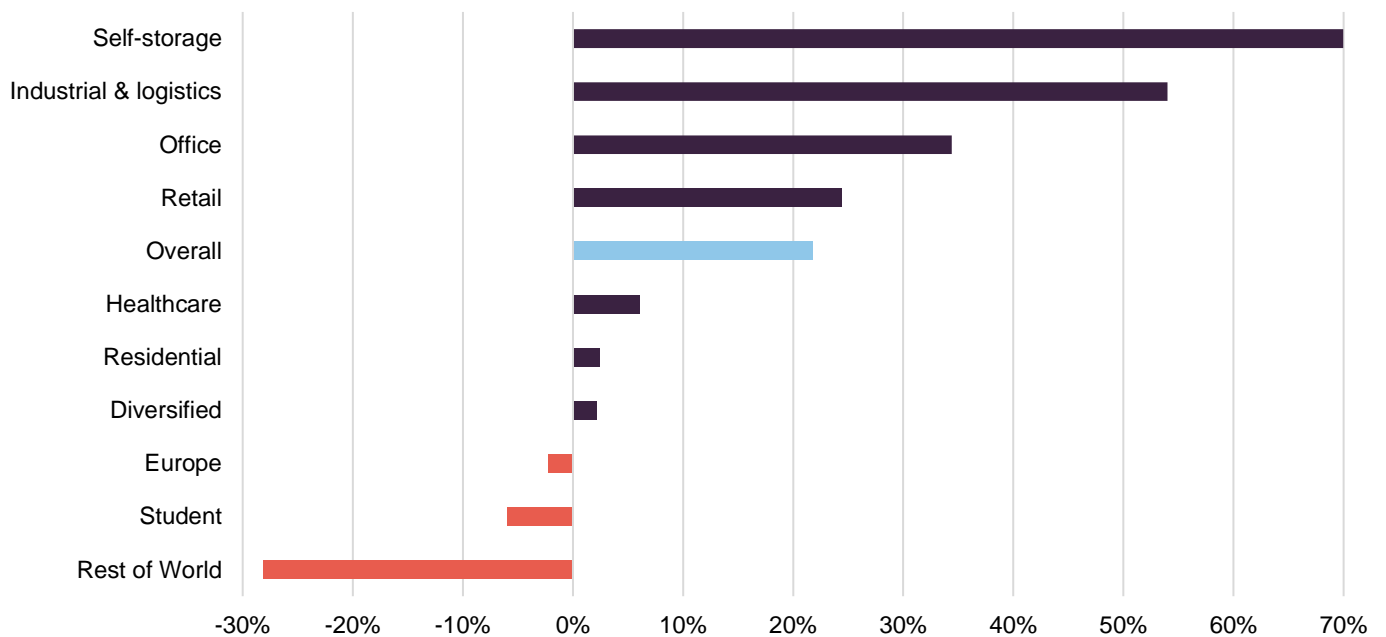
Figure 3: Property sector market capitalisations (£m)



Source: Bloomberg, Marten & Co

The biggest gains were found in the self-storage sector, however, where the market cap of the three leading companies increased at an average of 70% in the year. Figure 4 also shows that the market cap of the seven companies focused on the industrial & logistics sector increased by 54%. There were just three sub-sectors that experienced a market capitalisation fall during the year – Europe, student accommodation and rest of the world. The student sector shrank when GCP Student Living was acquired at the back end of the year in a take-private deal (more details on page 10).

Figure 4: Market capitalisation change by sector over 2021



Source: Bloomberg, Marten & Co

Having been in decline for a number of years, the retail sector saw a 24% increase in its market capitalisation in the year as positivity over the effectiveness of the vaccine rollout and a return to more 'normal' spending resumed. Generalist (diversified) property companies, which own property in various sectors, had a mixed year, with market capitalisations increasing by just 2%.

Fund performance data

Best performing property companies

Figure 5: Best performing companies in price terms in 2021

	%
Safestore	80.6
Harworth Group	71.4
Conygar Investment Company	57.9
Big Yellow Group	55.6
SEGRO	51.6
Sirius Real Estate	51.4
Industrials REIT	48.3
Tritax Big Box REIT	48.3
Lok'n Store	48.1
Warehouse REIT	47.3

Source: Bloomberg, Marten & Co

Figure 6: Best performing companies in NAV terms in 2021

	%
Big Yellow Group	32.8
Conygar Investment Company	31.1
Warehouse REIT	28.7
SEGRO	26.6
Tritax Big Box REIT	25.4
Harworth Group	23.2
Lok'n Store	22.6
Safestore	21.6
LondonMetric	21.6
AEW UK REIT	18.7

Source: Bloomberg, Marten & Co

Figure 7: Tritax Big Box price over 2021



Source: Bloomberg, Marten & Co

All three of the listed specialist self-storage operators had impressive years of growth, both in respect of the share price and NAV, as the sector continues to benefit from demand-side pressures. **Safestore** led the way with a remarkable 80.6% share price rise in the year. **Big Yellow Group** and **Lok'n Store** also had a strong 2021, with share price gains of 55.6% and 48.1% respectively.

As mentioned earlier, logistics was another sector to perform well during the year and it was no surprise to see dedicated logistics players **SEGRO** and **Tritax Big Box REIT** in the top 10 best performing property companies for both share price and NAV.

Development and regeneration specialist **Harworth** was another constituent of both lists, seeing its share price rocket 71.4% and its NAV climb 23.2% largely thanks to an increase in the value of its industrial and logistics developments. The group also set out plans to double the size of the business over the next five to seven years.

German business parks owner and operator **Sirius Real Estate** saw its share price rise more than 50% in the year, during which it made several acquisitions and reported a big uplift in its portfolio valuation and NAV.

Worst performing companies

Figure 8: Worst performing companies in price terms in 2021

	%
Grit Real Estate Income Group	(26.8)
CEIBA Investments	(24.3)
Globalworth Real Estate	(17.5)
Capital & Regional	(16.0)
First Property Group	(13.3)
Triple Point Social Housing REIT	(13.2)
Assura	(9.1)
Civitas Social Housing	(7.5)
Ground Rents Income Fund	(4.4)
CLS Holdings	(2.7)

Source: Bloomberg, Marten & Co

Figure 9: Worst performing companies in NAV terms in 2021

	%
First Property Group	(9.9)
Workspace Group	(7.7)
Land Securities	(6.2)
CEIBA Investments	(5.0)
Regional REIT	(3.4)
Circle Property	(3.2)
Ground Rents Income Fund	(2.3)
Town Centre Securities	(2.1)
British Land	(1.7)
Schroder European REIT	(1.3)

Source: Bloomberg, Marten & Co

Figure 10: Civitas share price over 2021



Source: Bloomberg, Marten & Co

African-focused company **Grit Real Estate** had a tough year navigating the pandemic, with its retail and hospitality exposure weighing on its performance. The group had a busy and potentially transformational end to the year, however, raising €156.7m in an open offer and placing. It hopes to be able to provide investors with greater returns with the acquisition of a controlling stake in a development company. Part of the proceeds will also be used to lower its loan to value (LTV) ratio.

Cuban real estate investor **CEIBA Investments** ended a tough 2021 with a share price fall of 24.3%. The impact of the pandemic on the Cuban tourist sector has affected the value of CEIBA's hotel assets, while a mooted lessening of US sanctions on the country has yet to materialise.

Civitas Social Housing's share price took a dive in a three-month period from August, after coming under attack from short-seller ShadowFall. A report criticising the company for not disclosing possible conflict of interest matters in a small number of property transactions as well as questioning the strength of some of its housing association tenants was published, to which Civitas offered a detailed rebuttal. The share price picked up towards the end of the year, somewhat limiting the damage. Fellow social housing specialist **Triple Point** seems to have found itself in the crossfire of the short-selling drama.

Ground Rents Income Fund continued to be dogged by the regulatory uncertainty that persists in the ground rents market. It also cut its losses on its Beetham Tower, Manchester investment.

Significant rating changes

Figures 11 and 12 show how premiums and discounts have moved over the course of the year.

Figure 11: Biggest percentage point changes to ratings in 2021 – the 10 greatest improvements

Company	Sector	Premium/(discount) at 31/12/2020 (%)	Premium/(discount) at 31/12/2021 (%)	Difference (percentage point)
Sirius Real Estate	Europe	10.6	45.7	35.1
Industrials REIT	Industrial	(5.9)	27.2	33.1
Secure Income REIT	Diversified	(22.4)	8.6	31.0
PRS REIT	Residential	(19.2)	11.1	30.3
Harworth Group	Development	(29.3)	(1.7)	27.6
SEGRO	Industrial	32.0	58.0	26.0
Capital & Counties	Retail	(39.7)	(15.5)	24.2
Shaftesbury	Retail	(23.4)	(0.6)	22.8
Tritax Big Box REIT	Logistics	8.4	28.2	19.8
AEW UK REIT	Diversified	(16.2)	2.5	18.7

Source: Bloomberg, Marten & Co

Several of the companies with positive rating changes were discussed in the previous section. **Industrials REIT**, which changed its name during the year from Stenprop to reflect its focus on the multi-let industrial sub-sector, saw a huge swing in its rating, going from a small discount to NAV at the start of the year to a large premium. The group has made strong progress in selling its non-core assets and ploughing the proceeds into multi-let industrial estates.

Secure Income REIT's share price rose more than 40% in the year, as the reopening of the economy benefited its long-income portfolio, resulting in a its discount narrowing throughout the year and ending on an 8.6% premium.

Covent Garden landlord **Capital & Counties** saw its discount narrow to 15.5% in the year, with investors perhaps taking a long-term view of the strength of London. That appears to also be the case for **Shaftesbury**, which owns a large portfolio of shops, restaurants and offices in the West End of London, with its discount narrowing to 0.6%.

Generalist property fund **AEW UK REIT** had an eventful year, successfully suing two of its international tenants that had refused to pay its rent despite having the resourced. The group was rewarded for large NAV rises during the year and sticking to its sector leading dividend throughout the pandemic.

Figure 12: Biggest percentage point changes to ratings in 2021 – the 10 biggest deteriorations

Company	Sector	Premium/(discount) at 31/12/2020 (%)	Premium/(discount) at 31/12/2021 (%)	Difference (percentage point)
Assura	Healthcare	36.6	19.5	(17.1)
Triple Point Social Housing REIT	Residential	5.9	(9.0)	(14.9)
CEIBA Investments	Rest of world	(19.0)	(32.4)	(13.4)
Primary Health Properties	Healthcare	40.0	31.2	(8.8)
Civitas Social Housing	Residential	(3.0)	(10.7)	(7.7)
Grit Real Estate	Rest of world	(59.1)	(65.3)	(6.2)
First Property Group	Diversified	(30.9)	(33.5)	(2.6)
CLS Holdings	Offices	(33.9)	(36.4)	(2.5)
Hibernia REIT	Europe	(34.3)	(36.3)	(2.0)
UK Commercial Property REIT	Diversified	(17.8)	(17.2)	0.6

Source: Bloomberg, Marten & Co

Again, many of the names in the biggest rating deteriorations table have been mentioned previously. Healthcare asset owners **Assura** and **Primary Health Properties** both saw their share prices cool during the year and their large premiums narrow. Both are still, however, trading on large premiums.

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Major corporate activity

Fundraises

Around £3.8bn was raised by property companies in 2021

Just under £3.8bn was raised by property companies in 2021, as investors flocked to specialist players with the re-opening of the economy bringing confidence to markets. This eclipses the £3bn that was raised in 2020.

Life Science REIT launched in November, successfully raising gross proceeds of £350m from its initial public offering, which it will invest in life science property such as laboratories in the so-called golden triangle of London-Oxford-Cambridge.

The most active fund was **Tritax EuroBox**, which raised €480m (£412m) in two oversubscribed issues during the year. Also growing fast was **Urban Logistics REIT**, which raised £359m in two issues, and **Supermarket Income REIT**, which raised £353m again in two significantly oversubscribed issues.

Home REIT pulled off the biggest single raise of the year, achieving £350m in September. This was closely followed by **Tritax Big Box REIT**, which raised £300m also in September.

Meanwhile, **Grit Real Estate Income Group**, the pan-African property investor, raised \$156.7m in December through an open offer and placing. Part of the proceeds, \$80.6m, was made through the issue of new ordinary shares to the shareholders of development company Gateway Real Estate Africa Limited (GREAA) and its asset manager Africa Property Development Management Limited (APDM) as consideration for the sale of their stakes in GREAA and APDM to Grit. The remainder, \$76.1m, will be used to pay off debt and reduce the group's LTV, which had reached 53.1% at 30 June 2021, to a much more sustainable level.

Other notable fund raises during the year included:

- £209m raised by private rented sector (PRS) specialist **Grainger**;
- £182m raised by **Assura**;
- **LondonMetric's** £175m issue;
- £137m raised by **Sirius Real Estate** that was used to part-fund the acquisition of the UK flexible business space owner BizSpace; and
- £125m raised by **Abrdn European Logistics Income**.

Mergers and acquisitions

Land Securities completed the purchase of U and I Group for around £190m. Under the terms of the acquisition, U and I shareholders received 149p per share, which was a 73% premium to its prevailing closing price of 86.0p.

Yew Grove REIT shareholders approved its €177.4m takeover by Slate Office Ireland. The deal still needs court approval but it is expected that the last trading day in the company's shares will be 7 February 2022.

Drum Income Plus REIT's shareholders overwhelmingly approved the absorption of the trust into Custodian REIT. Drum's shares were delisted and the new Custodian shares issued as a result of the deal started trading in November.

GCP Student Living was taken over by a consortium including Scape Living (funded by APG – a pre-existing shareholder) and iQ (funded by Blackstone) valuing the company at £969m. The bid price was a 30.7% premium to its 1 July share price and a 19.1% premium to its 31 March 2021 EPRA net tangible asset value.

St Modwen Properties was taken private by private equity giant Blackstone, which acquired the company for £1.272bn. The price represented a 21.1% premium to its EPRA net tangible asset (NTA) value.

Shareholders of **RDI REIT** approved the £467.9m cash offer for the company from its largest shareholder Starwood Capital. Starwood made a cash offer for the 70% of shares it doesn't own at 121.35p, representing a discount of 19.9% to the group's most recent EPRA NAV but a 38.2% premium to its six-month average share price.

Other major corporate activity

Two proposed initial public offerings (IPOs) failed to get away during the year. Firstly, **UK Residential REIT** failed to raise its target £150m after announcing its intention to float at the beginning of June. Meanwhile, the proposed £250m float of a new social housing company, **Responsible Housing REIT**, was postponed following the ShadowFall attack on Civitas.

After its successful fundraises, **Tritax EuroBox** became a constituent of the FTSE 250 index in October. The group also issued its debut bond earlier in the year – a €500m green bond – and signed an agreement with institutional investors for a new private placement of €200m senior unsecured notes in December.

Sirius Real Estate raised €400m through the placing of corporate bonds, having attained an investment grade credit rating from Fitch Ratings of BBB in May, while **SEGRO** launched a €500m senior unsecured green bond issue in September.

Meanwhile, Stenprop changed its name to **Industrials REIT**, with a new ticker of MLI. Multi-let industrial (MLI) assets now comprise 92% of its total portfolio, and the group is on course to be a 100% MLI business by March 2022.

Major news stories

- **Civitas Social Housing** was targeted by short-seller ShadowFall, which criticised the company for conflict-of-interest issues in a small number of transactions. Civitas's board said the criticism was based on "factual inaccuracies".
- **Standard Life Investments Property Income Trust** acquired 1,447 hectares of upland rough grazing and open moorland in the Cairngorm national park for £7.5m, where around 1.5 million trees will be planted to offset carbon emissions from its portfolio, in a first for the property sector.
- **NewRiver REIT** sold its pub business, Hawthorn Leisure REIT, to Admiral Taverns for £222.3m. It used the proceeds to strengthen its balance sheet and reduce its loan to value (LTV) to below 40%.
- **AEW UK REIT** won a High Court legal battle against two of its "well-funded" national tenants – Sports Direct and Mecca Bingo – to recover £1.2m of rent that they had refused to pay during the pandemic.
- **Tritax EuroBox** made €620m worth of new investments during the year, the largest of which was the acquisition of two assets in Germany, let to Puma and Wayfair, for €290.9m.
- **Hammerson** continued its non-core asset sell off with total proceeds during the year totalling £495m, the largest of which was the sale of its UK retail parks portfolio for £330m and its 50% stake in Silverburn shopping centre in Glasgow for £70m.
- **Land Securities** acquired a 75% stake in MediaCity, the 37-acre media, digital and tech hub home to the BBC in Salford, Greater Manchester, for £425.6m.
- **Abrdn European Logistics Income** acquired a portfolio of 'last mile' urban logistics assets in Madrid for €227m, fully deploying the proceeds of its September equity raise. The portfolio comprises seven newly constructed logistics warehouses and one under construction logistics warehouse. It is let to five tenants, including Amazon.
- **Life Science REIT** deployed £177.65m of proceeds from its £350m IPO in across four deals. The largest of which was the £77m acquisition of Rolling Stock Yard, a nine-storey office and laboratory building near London's St Pancras station.
- **British Land** announced plans to move into logistics development. A 1m sq ft urban logistics scheme is planned at two of its retail sites. It is the first foray into the burgeoning logistics sector for the REIT, which has traditionally had a portfolio focused on offices and retail.

Selected QuotedData views

- **Time to back retail recovery?**
- **Carbon kings**
- **Is property still a good hedge against inflation?**
- **Not all industrial is equal**

Outlook for 2022

Here are a few recent comments from managers and directors on how events may unfold in 2022, drawn from our latest real estate roundup.

William Hill, chairman of Ediston Property Investment Company:

“There are compelling investment reasons for the retail warehouse sector to recover further and provide ongoing value opportunities. It has proved to have been the most resilient retail sub-sector during the COVID-19 pandemic, with favourable rent collection figures and an active tenant market. Following the sell down across all retail markets, the investment manager considers the retail warehouse sub-sector to have been oversold, and there is now increasing recognition in the market that is the case. Yields look attractive when compared to other property sub-sectors, often with income secured on high quality tenants. The anticipated recovery in consumer spending will likely favour many of the retailers that trade from retail warehouses. The format also works well alongside on-line retailing, supporting retailers' omnichannel strategies.”

Robert Orr, chairman of Tritax EuroBox:

“The [European logistics] occupational market is increasingly favourable and we expect the trends of strong occupier demand, driven by e-commerce and the reinforcement of fragile supply chains, to continue in the long term. When considered alongside limited new supply of logistics space, we expect consistent, sustained rental growth in prime logistics markets.”

Sir Julian Berney, chairman of Schroder European REIT:

“Confidence within the Eurozone has improved and expectations are for economies to move back to their pre-COVID GDP levels during 2022. Near term, markets are dealing with increasing energy costs and supply constraints, particularly regarding materials and labour, which are collectively heightening inflationary concerns. As a result, there is a risk that the European Central Bank will move to control inflation via an increase in interest rates, albeit we see this risk as modest.”

Recent real estate research notes

Urban Logistics REIT
REITs | Update | 22 December 2021

In the sweet spot

It has been a whitewater few months for Urban Logistics REIT (SHED) as it continues to grow rapidly in one of the best-performing real estate sectors in the UK. The group deployed the proceeds of a July capital raise in short order and earlier this month raised a further £250m to plough into a net asset value (NAV) accretive pipeline. The logistics sector is currently in the sweet spot, with high demand for space and a chronic lack of supply resulting in strong and sustained rental growth. Not resting on its laurels, SHED has an active asset management approach to its portfolio, whereby it has been driving valuations up through lettings, refurbishments and development. Testament to this, the group posted a portfolio valuation uplift of 11.3% on a like-for-like basis in the six months to September 2021 – 71% of which was due to asset management initiatives.

Earlier this month SHED moved its listing from the AIM market to the premium segment of the main market of the London Stock Exchange, which should improve liquidity in its shares.

Last mile' logistics

SHED invests in a diverse portfolio of single-let, urban logistics properties located in the UK, with the aim of providing its shareholders with a 10% to 15% total return per annum.

Sector	Property – UK Logistics
Total	SHED UK
Base currency	GBP
Price	188.5p
NAV	182.5p
Premium/discount	11.8%
Yield	4.2%

- Seeing sustained rental growth due to strong demand and lack of supply of its assets
- Net asset value and earnings accretive investment pipeline
- Liquidity in shares should improve after move to the main market of the London Stock Exchange

An update note on Urban Logistics REIT (SHED). The group is on the acquisition trail having secured £250m in an oversubscribed capital raise.

An annual overview on Grit Real Estate Income Group (GR1T). The pan-African property group plans to boost shareholder returns through the acquisition of a developer.

Grit Real Estate Income Group
Real estate | Annual overview | 6 December 2021

Showing some grit

Grit Real Estate Income Group (GRIT) has taken decisive action to secure its future with the announcement of a proposed capital raise of up to US\$215.6m. The group's portfolio has suffered heavy valuation declines during the COVID-19 pandemic, especially in the retail sector, which has seen its loan to value ratio (LTV) – borrowing plus cash as a percentage of portfolio valuations – rise to 23.1%. The proceeds of the equity raise will be used in two parts: firstly to pay down debt and secondly to acquire a controlling stake in a real estate developer, which has an attractive pipeline of projects including diplomatic residences let to the US government (see page 7 for an in-depth look at the proposed capital raise and acquisition).

If fully subscribed, the issue will not only result in the LTV dropping to 33.6% but will allow Grit to address its short-dated debt and be a catalyst for a reviving of the discount to net asset value (NAV). The active development pipeline and a resumption of dividend payments has led the group to raise its annual NAV total return target to between 13% and 15%, should the proposed fund raise be successful.

Pan-African real estate

Grit is a pan-African real estate company that invests in and actively manages a diversified portfolio of assets in selected African countries (excluding South Africa). It aims to deliver strong and sustainable income for shareholders, with the potential for income and capital growth, and currently targets a net total shareholder return including NAV growth of 12% a year.

Sector	Real estate
Total	GR1T UK
Base currency	GBP
Price	36.5p
NAV	78.9p
Premium/discount	(53.9%)
Yield	3.9%

- Proposed capital raise will see LTV fall to sustainable level
- Acquisition of developer expected to boost total return
- Resumption of dividend payments planned

Civitas Social Housing
REITs | Annual overview | 13 November 2021

Short shift to short seller

An unwarranted attack by an activist investor on the balance of Civitas Social Housing (CSH), coinciding with it falling out of the FTSE 250 index, has driven down CSH's share price in recent months. CSH has published a strong rebuttal (state of the claims and CSH's response are on page 6) saying these claims are baseless. The short seller may have made a quick profit, however CSH has had to put a planned capital raise to grow its portfolio on ice and it has impacted the wider sector to the detriment of thousands of people in need of specialist housing.

The fundamentals that support growth in the sector remain strong and aren't going away, namely increased demand from individuals and a lack of supply (as detailed on pages 4 and 11). The high dividend yield and the large discount to net asset value (NAV) that CSH's shares are now trading on and the increased dividend target for this year seem appealing.

Income and capital growth from social housing

CSH aims to provide its shareholders with an attractive level of income, together with the potential for capital growth from investing in a portfolio of social homes. The company expects that those will benefit from inflation-adjusted long-term leases and that they will deliver a targeted dividend yield of 5% per annum on the issue price, with further growth expected. CSH intends to increase the dividend triennially in line with inflation.

Sector	Property – UK residential
Total	CSH UK
Base currency	GBP
Price	82.5p
NAV	148.3p
Premium/discount	(43.7%)
Yield	6.5%

- Predicted 30% growth in demand for specialised supported housing by 2030
- Portfolio produces £127m of social value every year
- Dividend target increased for 2022

An annual overview on Civitas Social Housing (CSH). The fundamentals that support growth in the specialised supported housing sector remain strong and aren't going away, with a large demand and supply imbalance.

An annual overview on Standard Life Investments Property Income Trust (SLI). The company has tweaked its investment criteria, putting a greater emphasis on holding assets with strong environmental, social and governance (ESG) credentials.

Standard Life Investments Property Income Trust
REITs | Annual overview | 13 October 2021

Post-COVID ready

Standard Life Investments Property Income Trust's (SLI's) manager has tweaked its investment criteria, putting a greater emphasis on holding assets with strong environmental, social and governance (ESG) credentials (see page 10). These follow structural trends that have emerged during the COVID-19 pandemic. In the pursuit of durable income with growth potential, investments in higher-yielding, secondary assets have made way for newer, quality assets that the manager believes will meet future occupier and investor demand in a post-COVID world.

With eyes firmly fixed on the future, the fund recently invested in a carbon offsetting project (see page 10) that will go a long way to achieving its net zero carbon emissions target. It is set to gain significant early mover advantage, securing a relatively cheap fixed-price solution, with the path to net zero expected to become increasingly expensive. A peer group beating net asset value (NAV) performance further highlights its undervalued wide discount.

Commercial UK property exposure

SLI aims to generate an attractive level of income, along with the prospect of both income and capital growth, by investing in a diversified portfolio of UK commercial property assets, primarily in three principal commercial property sectors: industrial, office and retail. SLI uses borrowing with the aim of enhancing returns, with the current loan-to-value (LTV) ratio at 17.8%.

Sector	Property – UK Commercial
Total	SLI UK
Base currency	GBP
Price	72.4p
NAV	87.7p
Premium/discount	(17.8%)
Yield	6.9%

- Investment criteria tweaked to focus on newer properties with durable income
- ESG at heart of investment decision-making
- Peer group beating long-term performance



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