

Grainger Update Highlights Resilience Of Rented Residential London

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Courtesy of Grainger

Grainger's Clippers Quay in Manchester.

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Grainger said it collected 95% of the rent it was owed in March. That figure is in line with historic levels, the company said, and includes rent that is paid throughout the month. In comparison, retail REIT Intu said it received just 29% of the rent it was owed, while office landlord Great Portland Estate said it received 63%.

The rental housing market has remained resilient, the company said.

“Our customers' homes have also become offices, classrooms, social spaces and places of sanctuary,” Chief Executive Helen Gordon said in a statement accompanying the results.

Grainger's PRS portfolio totals 5,597 homes and is valued at £1.5B, meaning it accounts for about 60% of the company's £2.5B portfolio. The remainder is regulated tenancies and affordable housing. The total portfolio produced rental income of £63M in 2019.

It said in the second half of the year it expected the number of new leases signed to slow, but this would likely be offset by fewer people moving out of its homes. Its occupancy level is 97%.

The company's shares rose 3% to 250p following the update. They have fallen 26% since Feb. 21, when they hit a five-year high of 338p. That compares to a 30% fall for an index of all UK real estate firms in the FTSE 350.