

Retail, consumer confidence remains positive: Capco

Capital & Counties Properties (Capco) provides a rosy forecast, saying the outlook for retail and consumer confidence remains positive...



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This bodes well for the group. Covent Garden, its prime retail destination located in London, is well-positioned to continue its prominence as one of the best global retail destinations.

Capco said on Wednesday it had had a positive and active start to the year. Covent Garden was delivering and demand for space across all uses was strong.

The estate, the company said, was on track to achieve its estimated rental value (ERV) target of £100 million by December 2017, which represents circa 10 percent annualised underlying rental growth.

Releasing financial results for six months to June 2015, Capco said its underlying earnings fell to £4.2 million from £7.8 million.

The company declared an interim dividend per share of 0.5 pence.

Elsewhere, the Earls Court Masterplan was a significant opportunity for urban regeneration and would deliver new homes, jobs and investment.

"Against a positive economic backdrop, London's population is expected to grow significantly and is in need of more housing," Capco said.

"Opportunity areas" such as Earls Court were vital to London's housing supply. With its central location and strong transport connections, Capco was advancing its plans to maximise returns from its land holdings at Earls Court.

Capco CEO Ian Hawksworth said it entered the second half of the year with a strong balance sheet and a clear strategy to drive long term value creation for its shareholders."

"The balance sheet remains robust and flexible and we have continued to significantly invest in our London estates," Hawksworth said.

"Following the placing last year, we have successfully deployed the proceeds, acquiring over 30 properties and successfully commencing our development and demolition plans. We are clear and focused on our delivery strategy and with two unique assets are well-positioned to drive long-term value for our shareholders," he said.

Source: INET BFA

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