

28 September 2018

## **Grainger plc**

### **Trading Update**

#### **Grainger's strategic growth plan continues: strong rental growth, pipeline on track**

Grainger plc, the UK's largest listed residential landlord, today provides an update on trading ahead of its financial year ending 30 September 2018. The company will announce its full year results on 14 November 2018.

#### **Helen Gordon, Chief Executive, said:**

"We have had a year of significant success in line with our strategic plan for growth in the UK private rented sector (PRS). Our PRS portfolio continues to deliver strong rental growth, with a like-for-like growth of +3.1%. Our PRS investment pipeline, which now stands at £817m secured, is progressing well and is on track to deliver a step change in our net rental income and dividend as the pipeline stabilises. Our sales business performed well during the year with sales achieved 1.3% above vacant possession value, releasing further funding capacity for our pipeline.

"The coming year will see a number of our schemes start to become income producing with over 1,300 units set for delivery across our schemes in Manchester, Bristol, Birmingham, Sheffield and Milton Keynes. We are close to completing the UK's largest PRS development outside London, Clippers Quay in Salford, Greater Manchester. Clippers Quay will deliver 614 high quality homes for rent, with phase one of three completing today, with strong lettings interest at pricing above our underwriting levels.

"The remainder of our pipeline projects are all on track to deliver on plan, on time and within budget. Our investment and development teams continue to focus on securing new, compelling investment opportunities in our target locations across the country, and to this end we have good visibility over a further £287m of investment opportunities which are in the advanced stages of the planning process or legal negotiations and further opportunities under consideration.

"Overall, we are very pleased with the pace of strategic progress and we look forward to generating further momentum in the coming financial year".

#### **Highlights**

##### ***Strong rental growth***

- 4.0% overall like-for-like rental growth year to date (September 2017: 3.7%).
  - 3.1% like-for-like rental growth year to date on our PRS homes, where we have seen continued strong demand for our rental offering (September 2017: 3.2%).
  - Annualised rental growth of 5.5% on regulated tenancy rental reviews (September 2017: 4.4%).
  - Occupancy within the PRS portfolio stands at 97.2% (September 2017: 97.1%).

##### ***Developments delivering, and pipeline extended***

- Our strengthened development team delivering schemes on time and ahead of underwriting assumptions:

- Clippers Quay - (614 units, £99m), Phase 1 completion in October with the remaining 2 phases set for completion by mid 2019
- Finzels Reach - (232 units, £61m), is on target for completion in February 2019
- Berewood, Hampshire - (104 units, £17m), has 84 units let with the remaining 20 being delivered in October.
- Good pipeline progress since half year:
  - Newbury, West Berkshire (232 units, £61m) - now secured, following the signing of the construction contract with Engie Regeneration Ltd.
  - Besson Street, Lewisham, London (c.300 units) – Have agreed contracts on our 50:50 JV with Lewisham
  - Yorkshire Post, Leeds (242 units, £42m) – we are now onsite with completion forecast for late 2020

### ***Strong sales performance***

- Strong residential sales for the year, in terms of both volume and pricing (sales achieved at 1.3% above vacant possession value). Our sales transactions velocity (i.e keys to cash) remains significantly better than market at 111 days.
- Continued progression of asset recycling with over £130m achieved during the year including the sale of our 50% interest in the Walworth Investment Property (WIP)

**-ENDS-**

### **For further information:**

#### **Grainger plc**

Kurt Mueller  
London Office Tel: +44 (0) 20 7940 9500

#### **Camarco (Financial PR adviser)**

Ginny Pulbrook / Geoffrey Pelham-Lane  
+44 (0) 20 3757 4992/4985