Busier malls help New Frontier profit

The Rebosis subsidiary will look for opportunities in mainland Europe likely to include non-retail assets.

Picture: Supplied

UK mall owner New Frontier Properties (NFP), the subsidiary of Rebosis Property Fund, returned to profitability in the quarter to November last year off the back of better consumer spending in the UK.

Headline earnings per share were £1.80 per share for the quarter compared with 2015's headline loss of 40p per share. NFP earned rental income worth £5.4m, up nearly 26% from £4.3m for the comparative 2015 period.

The profit for the year grew to £2.7m compared with a comparative 2015 loss of £500,000.

"During this period, the company's business strategy has evolved to take into account changes in the prevailing political and economic climate, especially in relation to the EU referendum result," said CEO Mike Riley.

"The company's strategy continues to retain its retail focus, but it will also acquire property within mainland Europe to include nonretail assets to a maximum of 20% of the aggregate portfolio. Preference will be given to retail assets with a high level of nondiscretionary spend and logistics properties let to e-commerce and retail tenants," he said.

NFP had been working to execute the refined strategy and had identified a shortlist of properties that met its criteria.

"This approach will enable the company to exploit a much wider range of opportunities, reducing its overall risk profile while continuing to benefit from the profits contributed by our existing centres and broadening our hard currency exposure," Riley said.

NFP's net asset value was 73p per share, down from 75p per share at the end of August 2016. Post the period end, NFP signed a lease with retailer Next for 25,000 square feet (7,620m²) in its Burton-on-Trent Centre. This improved the combined occupancy to 93.52%.

Discussions were continuing with a number of UK national retailers to let the remaining 19,500 square feet.