

Strategic Portfolio Re-structuring

Property: 7 Commercial Property Investments
Client: Charity Fund
Project: Restructuring the portfolio to better meet the client's income needs



Problem

- The client was over-weight in commercial property, designed to benefit from the higher income return (relative to other asset types).
- The properties were generally very low risk, with a low yield (in property terms).
- The income generated was insufficient to meet its income demands.

Solution

- Recommended a strategy to re-structure the portfolio, in a risk-controlled manner, to increase the income return.
- 3 properties were sold in Warrington, St Helens and Manchester.
- 4 properties were acquired in Llandudno, Bredbury, Rochdale and Barlborough.

Results

- Without increasing the capital employed, the annual income increased from £363,000 per annum to £609,000 per annum, with only a marginal increase in the risk profile.

Portfolio
7 properties

Transactions
3 sales 4 purchases

Additional annual income generated
68%