

Stor-Age capitalisation soars

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Stor-Age Property Reit, the only specialised owner of personal storage assets on the JSE, has tripled its market capitalisation to about R3.5bn over the past two years.



Stor-Age grew its dividend per share 9.25% to 47.02c in the six months to September, financial results showed, one of the strongest performances from listed property funds invested primarily in SA.

The group is expecting to achieve double-digit dividend growth of between 11% and 12% for its March 2018 financial year, having expanded into the UK personal storage market, said CEO Gavin Lucas.

"Since listing, Stor-Age has consistently hit all financial and strategic markers, in contrast to a property sector which over the same two-year period appears to be buckling under the pressure of a constrained economy," he said.

Personal storage assets tended to do well during poor economic times when people had to downsize and keep goods in storage before selling them. Revenue increased year-on-year by 43% to R124m, while operating profit grew 50% to R84.5m from September 2016. Rental income grew in double digits whether measured organically or when including the period's major acquisitions.

On 2 November, Stor-Age entered the UK market by acquiring Storage King, bringing on board 13 properties.

Metope Investment Managers investment analyst Kelly Hook said the results were largely in line with expectations.

"The self-storage sector, while obviously subject to the same macroeconomic conditions as other sectors, has its own unique demand and supply factors, allowing it some degree of defensiveness," she said.

Source: Business Day

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