

Custodian Property Income REIT

Progress with recent acquisition

Custodian Property Income REIT (CREI) has provided an update on the strategic £36m acquisition of the highly complementary, diversified portfolio of family-owned Grove Court Properties, announced in February. The acquisition was financed by the issuance to the vendor of new CREI shares (75%) on an adjusted NAV for NAV basis and cash (25%). It is one of three similarly structured transactions over the past year, amounting to £66m in aggregate, and represents an attractive route to growth while cash equity issuance remains unattractive.

Year end	Net rental income (£m)	EPRA earnings (£m)	EPRA EPS (p)	NAV/share (£)	DPS (p)	P/NAV (x)	Yield (%)
3/24	39.1	25.7	5.8	0.93	5.80	0.95	6.6
3/25	39.5	26.8	6.1	0.96	6.00	0.92	6.8
3/26e	40.7	27.9	6.2	0.98	6.00	0.90	6.8
3/27e	41.6	28.6	6.3	1.00	6.12	0.88	6.9

EPRA earnings excludes revaluation gains/losses and other exceptional items. NAV is defined as EPRA net tangible assets (EPRA NTA) throughout this report.

The [acquisition of Grove Court Properties](#) came after the similar acquisition of Merlin Properties in May 2025 (£22m of assets), and was itself followed by the smaller purchase of the Scorpion Properties portfolio (£8m of assets). The success of these transactions demonstrates the appeal to vendors of CREI's ability to leverage its investment strategy and listed REIT structure to facilitate all-share or majority-share corporate acquisitions of family property companies. In addition to the financial benefits to CREI shareholders, the transaction allows the vendor to resolve succession issues and manage a potentially significant capital gains tax liability. In our recent [interview](#) with Richard Shepherd-Cross, fund manager of CREI, he discusses the Grove Court acquisition in detail, and the outlook for further, similar transactions with other high-net-worth and family offices.

We believe there are clear benefits to many investors in being able to access the commercial property market through a diversified, income-focused and conservatively managed REIT. In a sector where scale is increasingly demanded by investors, CREI's growth strategy sits well. This is aside from the company's significant organic income opportunity reflected in a Q326 estimated rental value (ERV) that was 14% above passing rent, for which leasing events are the trigger for realisation. ERV has continued to increase on a like-for-like basis, up 0.5% in Q326 and 2.5% in FY26 to date. During the quarter, new lettings, lease renewals and rent reviews were all at or above ERV and/or passing rent. NAV per share increased 0.9% to 99.8p in the quarter, the sixth consecutive quarterly increase, and, adding back DPS paid (but not reinvested), the NAV total return was 2.3% (8.4% ytd).

Since it was acquired, the Grove Court portfolio has performed in line with expectations, with occupancy remaining at a high c 97%. In addition, CREI has begun to unlock reversionary income potential by completing a rent review at a motor dealership in Beaconsfield at 5% above passing rent and in line with ERV. This is the largest asset in the Grove Court portfolio, now accounting for 27% of its rent roll. On top of the initial consideration of £9.0m in cash and 24.1m new shares, an overage payment of £0.2m, conditional on the successful completion of this rent review, becomes due. Finalisation of the Grove Court accounts also realises the deferred issue of an additional 0.7m shares.

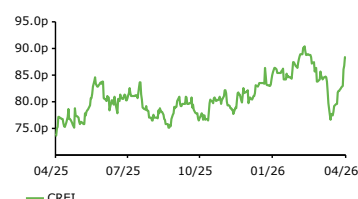
Acquisition update

Real estate

13 April 2026

Price	88.40p
Market cap	£424m
Net cash (debt) at 31 December 2025	£(163.8)m
Shares in issue	488.3m
Code	CREI
Primary exchange	LSE
Secondary exchange	N/A

Share price performance



Business description

Custodian Property Income REIT is a London Main Market-listed REIT focused on commercial property in the UK outside London. It is income-focused, with a commitment to pay a high but sustainable and covered dividend.

Analyst

Martyn King +44 (0)20 3077 5700

financials@edisongroup.com

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