

Custodian Property Income REIT

Buybacks reflect attractive valuation

Custodian Property Income REIT (CREI) is benefiting from organic rental growth and a disciplined approach to capital allocation. Non-core assets continue to be sold at a premium to book value, with the proceeds deployed into value-creating portfolio investment and now accretive share repurchases. Meanwhile, the equity-funded 'NAV-for-NAV' acquisition of the Merlin portfolio is earnings enhancing and incrementally adds to scale and diversification, and reduces gearing.

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	0.85	7.3
3/25	39.5	26.8	6.1	0.96	6.00	0.83	7.5
3/26e	40.7	27.9	6.2	0.98	6.00	0.82	7.5
3/27e	41.6	28.6	6.3	1.00	6.12	0.80	7.7

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

Organic growth and accretive capital allocation

CREI has significant organic income growth potential, with end-Q126 ERV being £6.6m, or 15% above current passing rent. Around £2m of this represents upside to market rents, which continue to increase (+1.7% in Q126) and the balance to letting vacant space, much of which is, or soon will be, under refurbishment. In FY25, £15.1m of disposals were at an average 39% premium to pre-offer valuations, and so far in FY26 a further £8.9m at an average c 5% premium. The assets sold are in most cases vacant or part let, lowering void costs well in excess of income foregone. Disposals have funded value-creating capex, with a target IRR of at least 7%, and have been largely offset by the £19.4m of complementary, high-yielding commercial assets that Merlin brings, along with lower gearing. From its strong capital position, CREI has commenced a £5m share buyback programme. Reflecting wider economic uncertainty, our forecasts assume only modest reversionary capture, and a slight increase in FY26e EPS, but with DPS growth deferred to FY27.

Diversified, income focused and differentiated

While UK commercial property has begun to show signs of recovery on the back of occupier activity and increasing rents, this is only partially true for listed real estate companies where wide discounts to NAV persist and consolidation has continued apace. CREI provides investors with the opportunity to access a sector recovery through diversified UK commercial property exposure, within a closed-end fund structure. It is differentiated by an enhanced income strategy that targets higher-yielding, smaller regional properties, with strong income characteristics, let to predominantly institutional-grade tenants. Income risk is spread across a wide number of properties and tenants. Although diversified, the portfolio is actively positioned and managed, currently with a strong weighting to the well-performing industrial and retail warehouse sectors.

Attractive yield and accelerating capital growth

FY26e DPS represents an attractive yield of 7.5%. Despite an improving outlook for capital growth, the shares continue to trade at a 17% discount to Q126 NAV.

Company outlook

Real estate

29 September 2025

Price **79.80p**

Market cap **£368m**

Net cash/(debt) at 30 June 2025 £(165.4m)
(excluding restricted cash)

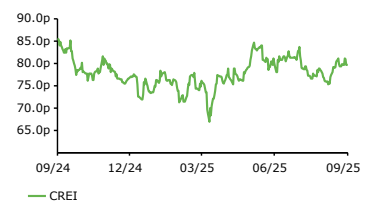
Shares in issue 461.6m

Code CREI

Primary exchange LSE

Secondary exchange N/A

Share price performance



%	1m	3m	12m
Abs	2.4	0.1	1.3
52-week high/low		84.2p	62.0p

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.

Next events

Q226 update	Expected November 2025
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Analyst

Martyn King +44 (0)20 3077 5700

financials@edisongroup.com

[Edison profile page](#)

Custodian Property Income REIT is a research client of Edison Investment Research Limited

Investment summary

This outlook note focuses on CREI's long-term performance and strategy for continued growth in earnings and fully covered dividends. It also includes a review of its recent financial performance and an update on our forecasts. In summary, the investment case for the company is as follows:

- **CREI is focused on income-driven returns**, a more consistent component of total property returns compared with more volatile capital values, enhanced by a focus on higher-yielding, smaller lot size, UK regionally based properties.
- It provides **diversified exposure**, enabling it to spread risks, adapt its portfolio to changing market and economic conditions and seek investment opportunities across a wide pool of assets. Consolidation in the sector has drastically reduced the number of listed vehicles available to investors.
- CREI's focus on **properties with smaller individual values** (lot sizes) differentiates it from most of its peers. Properties of this size typically provide a yield premium over larger assets, in part the result of a broader range of potential occupiers, while attracting less competition from larger institutional investors.
- **The portfolio is actively positioned** towards the industrial (51% by value and 42% by income) and retail warehouse (21% and 22% respectively) sectors, supported by strong fundamentals. Capital is regularly recycled, from properties where the company sees little opportunity for further rental growth towards higher-return investment in the existing portfolio, new acquisitions and, more recently, immediately accretive share repurchases.
- Across most of the market, **occupier demand remains robust**, there has been little new development and **rents have continued to increase**. The significant reversionary potential embedded in CREI's portfolio provides opportunities for continuing organic growth in income and dividends. At end-Q126, the estimated rental value (ERV) of the portfolio was £51.4m, 15% above current passing rent of £44.9m, which CREI expects to capture at (typically) five year rent reviews or re-letting. FY25 rent reviews delivering an average 29% increase, helping to drive a 2.3% increase in like-for-like rent, and modest renewal activity during Q126 delivered an average uplift of 25% to previous rents.
- The most recent Investment Property Forum quarterly survey shows a **consensus expectation of positive total returns across all sectors**, averaging 7.9% per year from 2025 to 2029, with the industrial and retail warehouse sectors continuing to outperform.
- In addition to the organic growth opportunities, a key element of CREI's strategy is to seek **opportunities to scale the business through corporate and/or portfolio acquisitions**. Despite trading at a discount, the all-share acquisition of the highly complementary Merlin portfolio on an adjusted NAV-for-NAV basis was immediately accretive to EPS, added scale and reduced gearing. CREI continues to actively explore further opportunities to purchase complementary portfolios via mergers or corporate acquisitions.
- **Gearing is moderate** and was 27% at end-Q126, slightly above the company's 25% medium-term target but likely to be reduced by disposals. Following repayment of a maturing £20m fixed-rate loan in August, utilising flexible undrawn shorter-term debt, 70% of drawn debt is long term and fixed rate, providing earnings protection against increasing interest rates.

Consistent, fully covered dividend returns

CREI's income-focused strategy has generated positive returns, driven by fully covered dividends, each year since listing in March 2014. Without assuming reinvestment of dividends, the aggregate NAV total return from listing to end FY25 is 60%, or an average 4.6% per year, effectively all accounted for by dividends paid. Including reinvestment of dividends, and based on the share price, CREI calculates a 5.6% per year shareholder total return over the same period. The prospective dividend yield is significantly higher than the income return on NAV as a result of the discount to NAV at which the shares are trading.

With yields stabilising and rental growth continuing, Q126 delivered the fourth consecutive quarter of positive capital returns, with property values increasing by 0.8% on a like for like basis and NAV per share increasing 0.6% to 96.7p. Including the dividend paid, the quarterly NAV total return was 2.2%. On a rolling quarterly basis to end-Q126, the NAV total return is 10.3%.

For FY25, CREI declared four quarterly dividends of 1.5p, meeting its annual target of at least 6.0p, a 9% increase in the quarterly run rate of DPS in FY24 (1.375p) and a 3.4% increase on the total dividends paid in respect of FY24, including a special dividend of 0.3p, in recognition of a strengthening leasing performance. For FY26, CREI is again targeting a fully covered aggregate DPS of at least 6.0p.

Dividend returns have consistently driven all of CREI's total return since listing, and it continued to pay dividends through the pandemic, albeit at a reduced level. In line with the broad sector, capital returns were significantly negatively affected by the impact of rising bond yields through FY23 and early FY24. With property valuation yields showing increasing signs of stabilisation, property revaluation has contributed positively to total return in the past three quarterly periods. The consensus in money markets is that the UK base rate will be cut further during the next year (by another 50–75bp), particularly as signs of a softening economy emerge, and despite the recent increase in inflation. Rate cuts should support investor sentiment towards the listed sector and CREI, further increasing the attractiveness of high dividend yields with good income growth potential. In the investment market, activity has been improving and yields have stabilised. However, concerns over the government's budgetary position and longer-term inflation outlook have kept the medium-term gilt rate stubbornly high, while the 10-year gilt yield (c 4.7% at the time of publication) has climbed to the highest level since before the global financial crisis.

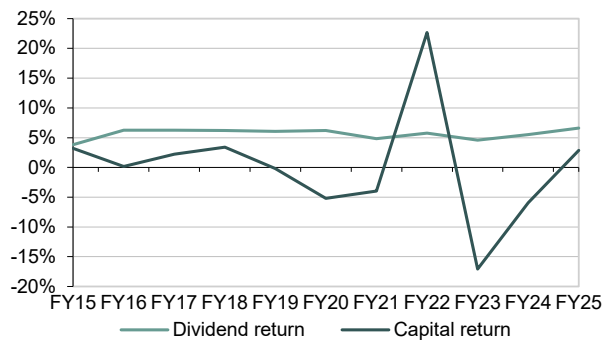
Exhibit 1: NAV/accounting total returns since listing

	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Apr-23	May-23	Since listing
Pence per share (p) unless stated otherwise	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	
Opening NAV per share	98.2	101.3	101.5	103.8	107.3	107.1	101.6	97.6	119.7	99.3	93.4	98.2
Closing NAV per share	101.3	101.5	103.8	107.3	107.1	101.6	97.6	119.7	99.3	93.4	96.1	93.4
Dividends paid per share	3.750	6.350	6.350	6.425	6.525	6.625	4.913	5.625	5.500	5.500	6.175	63.7
Dividend return	3.8%	6.3%	6.3%	6.2%	6.1%	6.2%	4.8%	5.8%	4.6%	5.5%	6.6%	64.9%
Capital return	3.2%	0.2%	2.2%	3.4%	-0.2%	-5.2%	-4.0%	22.7%	-17.1%	-5.9%	2.8%	-4.9%
NAV total return	7.0%	6.4%	8.5%	9.6%	5.9%	1.0%	0.9%	28.4%	-12.5%	-0.4%	9.5%	60.0%
Average annual dividend return												4.9%
Average annual capital return												-0.5%
Average annual return												4.6%

Source: CREI data, Edison Investment Research

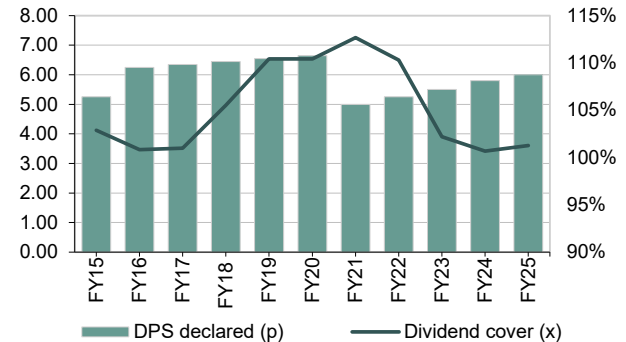
The greater stability of CREI's income return as a percentage of NAV compared with more volatile capital returns is consistent with across-the-cycle sector returns, but the contribution from income to CREI's total returns is above the sector average, which we estimate to be c 70%.

Exhibit 2: Consistency of dividend returns



Source: CREI data, Edison Investment Research

Exhibit 3: DPS and DPS cover history



Source: CREI data, Edison Investment Research

The most recent UK consensus forecasts published by the Investment Property Forum, generated between mid-March and mid-May 2025, pointed to positive rental and capital growth across all sectors over the next five years. In total return terms, the outperformance of industrial and retail warehouse assets was expected to continue, while the overall highest total return was expected from shopping centres, reflecting current high yields, despite expected rental and capital growth being the lowest of all sectors.

Exhibit 4: Investment Property Forum spring 2025 forecasts*

	Rental value growth (%)				Capital value growth (%)				Total return (%)			
	2025	2026	2027	2025-29	2025	2026	2027	2025-29	2025	2026	2027	2025-29
Office	2.6	2.2	2.2	2.4	2.1	2.8	2.8	2.5	6.1	6.7	6.8	6.5
Industrial	3.8	3.1	2.9	3.2	4.6	4.2	4.0	3.8	9.3	8.8	8.6	8.4
Standard retail	2.5	1.9	1.7	1.9	2.3	2.5	1.6	1.9	7.4	7.5	6.6	6.9
Shopping centre	1.5	1.4	1.4	1.4	2.3	2.0	1.2	1.4	9.7	9.2	8.3	8.5
Retail warehouse	2.3	2.2	2.1	2.2	3.3	3.1	2.6	2.4	9.4	9.1	8.4	8.3
West-End office	3.8	3.2	2.8	3.2	3.5	3.4	2.8	2.6	7.1	6.0	6.4	6.2
City office	3.4	2.7	2.6	2.8	2.8	2.7	2.8	2.5	7.1	7.0	7.1	6.9
All property	3.1	2.6	2.4	2.7	3.2	3.4	3.3	3.0	8.2	8.4	8.2	7.9

Source: Investment Property Forum. Note: *Based on data received by the Investment Property Forum from 12 organisations, the forecasts for which were generated between the start of March and mid-May 2025.

Growth through accretive acquisition

In May, CREI acquired a £19.4m portfolio of 28 smaller lot size properties through the corporate acquisition of Merlin Properties, a family-owned business. The Merlin portfolio is a highly complementary addition, both in terms of geographical spread and sector diversity. It also fits well with the company's income-focused strategy; the portfolio has a topped up net initial yield (NIY) of 8.1% compared with CREI's equivalent yield of 6.6%, making it immediately earnings accretive. Occupancy in the Merlin portfolio is high but, through lease events and other asset management actions, CREI has identified opportunities to grow income.

In addition to the commercial properties, the Merlin portfolio includes £2.7m of newly built housing assets, the ongoing sale of which is expected to complete in the next few months, with the cash proceeds contributing to a reduction in CREI's LTV.

The share-based and NAV-for-NAV nature of the transaction allowed the vendor to resolve a succession issue and manage a potentially significant capital gains tax liability, and CREI believes that similar transaction structures are possible with other high-net-worth and family offices.

The initial consideration saw CREI issue 22.9m new ordinary shares, with a second tranche of consideration, expected to comprise approximately 1.7m shares, payable within the next six months based on completion of the accounts to, and NAV at, the date of acquisition.

Significant organic opportunities to grow earnings and dividends

Our updated forecasts reflect recent financial reports and include the impact of the Merlin portfolio acquisition, continuing disposals and the share repurchase programme. The Merlin acquisition is modestly accretive in the first full year and CREI expects lease events to further lift rental income. Since the end of FY25, CREI has disposed of assets for an aggregate consideration of £8.9m and has further assets earmarked for disposal (we assume an additional £5m by end-FY26). We also assume that the repurchase programme completes by the end of 2026. At the time of writing, CREI has repurchased c 2.2m shares for an aggregate c £1.7m, at an accretive average c 79p per share (Q126 NAV per share 96.7p).

Our FY26 forecast for EPRA earnings increases slightly, but our EPS forecast is unchanged at 6.2p. The DPS increase that we had assumed for FY26 is deferred to FY27 and FY26 cover increases marginally. Our newly published FY27 forecasts show earnings and DPS both increasing. Earnings benefit from growth in net rental income and lower net interest expense (lower average borrowings), partly offset by higher administrative expenses (the impact of higher net assets on investment management fees).

During FY25, the ERV of the portfolio increased by 2.4% on a like-for-like basis, and by 0.8% in Q126. For FY26 and FY27 we have assumed 2% per year growth and have allowed for only a part of this to be reflected in contracted rental income through leasing events, maintaining the wide gap between passing rent and ERV, representing significant additional income growth potential.

By sector, the reversion potential can be seen in the difference between the NIY and the reversionary yield. The upside in the industrial sector relates to the gap between market rents and current rent levels, which should progressively close

through leasing events. The upside potential in the office sector predominantly relates to void reduction, including for properties currently or recently under refurbishment.

Exhibit 5: Reversion potential by sector

	FY25		FY24	
	EPRA topped-up NIY	Equivalent yield	EPRA topped-up NIY	Equivalent yield
Industrial	5.5%	6.9%	5.4%	6.7%
Retail warehouse	7.5%	7.6%	8.0%	7.4%
Other	7.7%	8.4%	7.1%	8.0%
Office	8.1%	11.1%	7.1%	9.8%
High street retail	9.4%	8.4%	9.9%	8.1%
Portfolio total	6.6%	7.8%	6.6%	7.5%

Source: CREI

During FY25, portfolio valuations increased by 2.2% on a like-for-like basis and in Q126 by 0.6%. For FY26 and FY27, we have assumed modest valuation growth, slightly below the growth in ERV.

Exhibit 6: Edison financial forecasts

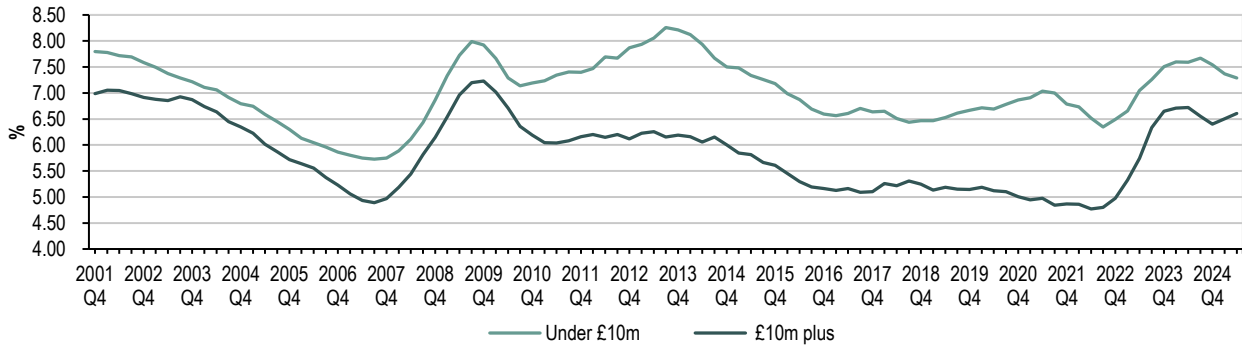
	Actual	Forecast		Previous forecast		Difference/change	
	FY25	FY26e	FY27e	FY25e	FY26e	FY25	FY26
£m unless stated otherwise							
Gross rental & other income	44.4	45.0	45.4	44.0	44.2	0.4	0.8
Non-recoverable property costs	(4.9)	(4.3)	(3.8)	(3.7)	(3.4)	(1.2)	(0.8)
Net rental income	39.5	40.7	41.6	40.2	40.8	(0.7)	(0.0)
Administrative expenses (exc depreciation)	(5.4)	(5.7)	(5.9)	(5.5)	(5.6)	0.1	(0.1)
Net Interest	(7.4)	(7.1)	(7.1)	(7.5)	(7.7)	0.1	0.6
EPRA earnings	26.8	27.9	28.6	27.2	27.5	(0.4)	0.5
Realised & unrealised property gain/(losses)	11.4	8.3	6.8	3.1	0.0	8.3	8.3
IFRS earnings	38.2	36.2	35.4	30.3	27.5	7.8	8.8
EPRA EPS (p)	6.1	6.2	6.3	6.2	6.2	(0.1)	0.0
IFRS EPS (p)	8.7	8.1	7.8	6.9	6.2	1.8	1.9
DPS declared (p)	6.00	6.00	6.12	6.00	6.12	0.00	(0.12)
Dividend cover (x)	1.01	1.04	1.02	1.03	1.02		
EPRA NTA (p)	96.1	97.9	99.9	94.9	95.1	1.2	2.8
EPRA NTA total return	9.5%	8.1%	8.3%	7.4%	6.6%		
LTV	27.9%	26.8%	26.2%	28.4%	28.3%		

Source: Edison Investment Research

Smaller lot size yield premium supports portfolio income

CREI's diversified, smaller lot size portfolio consistently delivers higher asset yields with lower volatility and well-managed risk. Comparing the transaction NIYs for properties below £10m with the transaction NIYs for properties above £10m on a 12-month rolling basis over the past 20 years or so, the yield spread of sub-£10m transactions over those of more than £10m has averaged around 1.1%. The yield spread has narrowed over the past two years (currently c 0.7%), with the yield on larger lot size assets having risen more than that for smaller assets. This may well reflect a more active owner-occupier and investment market in smaller properties, where buyers, attracted by the yields available, are often less reliant on debt funding.

Exhibit 7: Smaller lot size yield premium



Source: CREI

The higher yield on smaller properties is often considered to reflect higher risk and, typically, a higher cost of management relative to income. However, smaller size does not in itself determine the quality of the property, its appeal to tenants or the quality of tenant. While there may be less competition for smaller assets from institutional investors, there is an active owner-occupier market that supports vacant possession values and mitigates valuation risk. Asset selection and a long-term approach to investment are key to managing risk and hence CREI’s strategy for producing an attractive risk-adjusted income return, more than sufficient to offset the additional administrative complexity. Other key elements of CREI’s investment strategy for achieving above-average, risk-adjusted returns include:

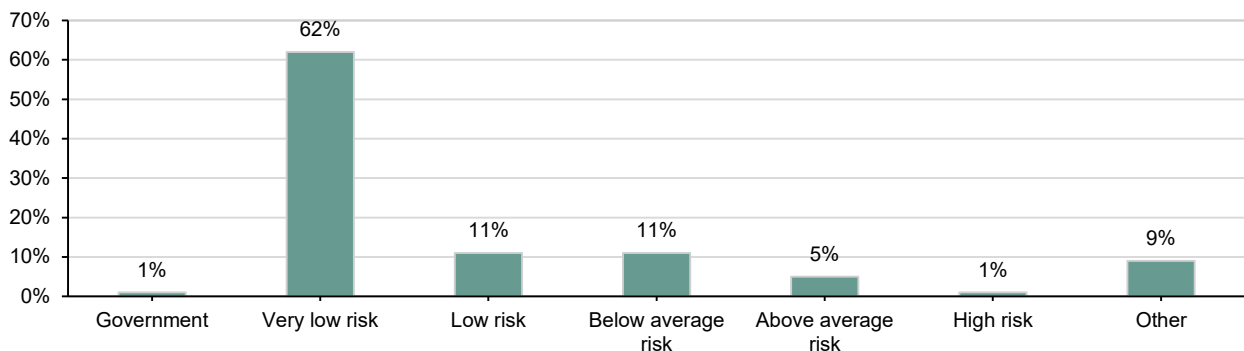
- diversification by asset, tenant and geographical location, which may be made easier by having a larger number of smaller properties;
- a focus on areas with high residual values; and
- regional locations with strong local economies and favourable demand-supply characteristics.

Diversification provides income resilience

Portfolio diversification provides a mitigation to income risk and CREI’s portfolio is well spread across the main commercial property sectors and by geographic location, as well as by the number of properties and tenants.

There were 151 properties in the portfolio at end FY25, let to 349 individual tenants. The top 10 tenants represented c 24% of the total. Although the properties are smaller, the list of tenants includes many well-known and well-established businesses and the overall tenant risk rating is strong.

Exhibit 8: Tenant risk rating

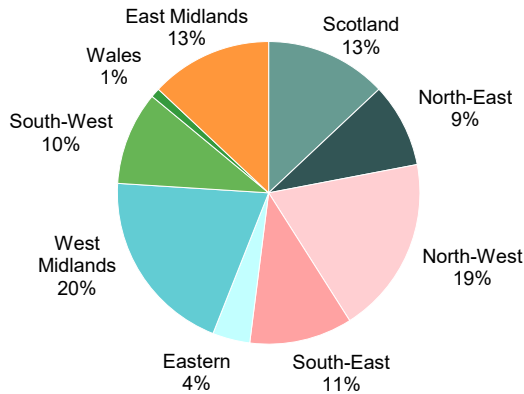


Source: CREI FY25 Annual Report, Experian. Note: Other refers mainly to tenants where no rating is available, including overseas entities, charities, sole traders and limited liability partnerships

Diversified but not passively positioned

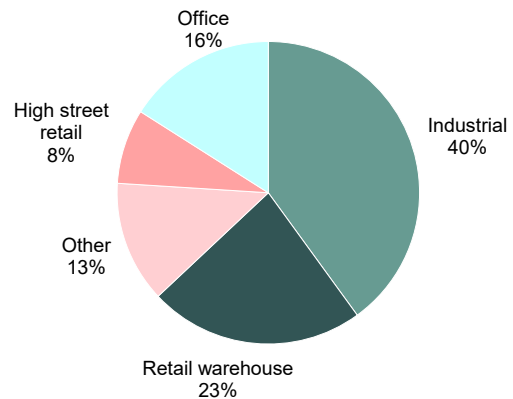
Although CREI's portfolio is split between the main property sectors, in line with the company's objective of maintaining a suitably balanced portfolio, it is actively weighted, with a high level of exposure to the industrial, retail warehouse and alternative sectors ('other', including pubs and restaurants, gymnasiums, drive-through restaurants, car showrooms, leisure, units and trade counters), with relatively low exposure to offices and high street retail.

Exhibit 9: Regional split by income



Source: CREI (data as at March 2025)

Exhibit 10: Sector split by income



Source: CREI (data as at March 2025).

Note: The Other sector is split: gym (18%), drive-through (17%), motor trade (17%), pub & restaurant (15%), leisure (13%), trade counter (7%), day nursery, hotel & other (13%).

Behind the sector positioning shown above are the following key investment themes:

- Industrial and logistics assets where, outside of the very large 'big box' segment, low vacancy rates and strong occupier demand continue to drive rental growth.
- Retail warehousing, where a combination of convenience, lower costs per square foot and the complementary offer to online retail continues to support trading at these assets, most notably among DIY, discounters, homewares and food retailers, which should prove defensive if consumer spending levels decrease.
- Selective regional offices with a focus on strong city centre locations instead of out-of-town business parks.
- Drive-through restaurant expansion, involving acquisition and development, where rental growth is anticipated.
- Selective high street retail assets, in strong trading locations, where rents have stabilised and there is potential for growth.
- Refurbishment of existing property, enhancing the quality of the assets, including ESG credentials, and attractiveness to tenants, to generate higher income and support capital values.

In more general terms, the portfolio is built on a balance of core and core-plus strategies. The core strategy is expected to deliver stable, long-term income from well-let, good-quality, predominantly smaller regional properties in attractive locations. The core-plus strategy provides the opportunity to enhance income through asset management initiatives such as lease renewals, re-gears and new lets and refurbishment. Combining these two strategies, CREI aims to generate better risk-adjusted returns than would be possible from a core strategy alone, without a material increase in the volatility of underlying asset values.

Investment in the portfolio

In FY25, capex amounted to £8.2m, including £1.3m of fixed asset investment in the installation of solar panels at nine assets, a slowdown from the previous year (£19m and £2.1m respectively), which saw a number of large asset management programmes reach completion. Q126 capex was £2.4m primarily relating to the refurbishment of industrial buildings in Plymouth and Biggleswade, and combining two units to facilitate a letting at a retail warehouse in Southport.

Refurbishment is improving the quality of the portfolio, including energy efficiency, enhancing the attractiveness to

occupiers. CREI says that where investment is required, it is being reflected in greater tenant demand, additional rental growth and, increasingly, in valuations. All ongoing capital works are expected to enhance the valuations of the assets and, once let, increase rents to give a yield on cost of at least 7%.

Being able to offer assets with strong sustainability credentials has become ever more important for occupiers and investors. As a result of improvements embedded in refurbishment programmes, as well as asset disposals, the weighted average share of properties EPC rated A–C increased to 82% in FY25 from 79% in FY24. The portfolio weighted average EPC score improved to 51 (C) from 53 (C). CREI expects all remaining EPC E-rated properties to be improved by December 2025 and, for the two properties containing EPC F-rated units, asset management plans are underway. Where the risk-return balance of investing in properties is unfavourable, they will continue to be sold, often for alternative use.

Exhibit 11: EPC ratings

EPC rating	Number of EPCs		Weighted average	
	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
A	21	19	6%	5%
B	143	127	41%	36%
C	121	130	35%	37%
D	39	49	11%	14%
E	17	18	5%	5%
F	8	8	2%	2%
Total	349	351	100%	100%

Source: CREI

Active capital recycling

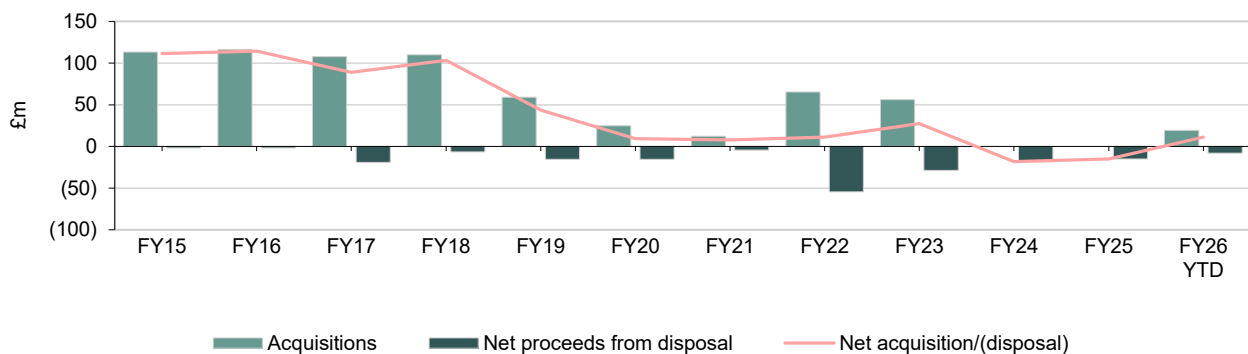
CREI constantly assesses and refreshes the portfolio, disposing of assets as a result of completed asset management plans or where there is a change in the outlook, to redeploy the capital elsewhere and rebalance the portfolio.

CREI was very much a net investor in the run-up to the pandemic, when market conditions were more favourable and it could access additional equity at an accretive premium to NAV. In FY24 and FY25, it was a net seller of non-core assets, recycling the capital into debt repayment and reinvestment in the portfolio. The net investment in FY26 to date reflects the equity-funded Merlin acquisition, whereas non-core disposals are continuing.

FY25 aggregate disposals of £15.1m were at an average 38% premium to the pre-offer valuation. Other than a small industrial asset sold for £0.6m, the properties sold were vacant, with no impact on passing rent but improving net rental income by eliminating void costs.

During Q126, in addition to the £19.4m acquisition of the Merlin commercial property assets, CREI sold two office properties (one part-let and the other fully let) for £6.9m (a premium of 4% to the pre-offer valuation). It has since sold a retail unit in Guildford for £1.6m (£0.1m ahead of the June valuation) and, from the Merlin portfolio, a retail unit in Leicestershire for £0.4m, 28% ahead of the purchase price.

Exhibit 12: Capital recycling – net property purchases and sale



Source: CREI data, Edison Investment Research

Funding flexibility and interest rate protection

End-Q26 borrowings were £172m, from total facilities of £180m. The £180m includes a Q126 increase in the Lloyds Bank revolving credit facility (RCF) from £50m to £60m, which can be further increased at the bank's discretion under an accordion option agreement.

Subsequently (in August) a maturing £20m fixed-rate facility has been repaid by drawing on the RCF. Total facilities are now £180m (£195m including the accordion) including £120m (70% of total drawn debt) of long-term, fixed-rate debt, at a blended interest cost of 3.3%, with an average maturity of five and a half years. Although relatively more expensive, the variable RCF provides funding flexibility, including the opportunity to repay borrowings from the proceeds of disposals and benefit from further base rate reductions. The weighted average cost of aggregate borrowings is now 4.0% compared with 3.8% at end-Q126.

We expect CREI to undertake additional refinancing operations according to market conditions.

Exhibit 13: Summary of debt portfolio

Lender	Facility (£m)	Pro-forma June 2025 drawn debt (£m)	Margin	maturity (years)	Maturity date
Scottish Widows	45	45	3.0%	2.9	Jun-28
Aviva tranche 1	35	35	3.0%	6.8	Apr-32
Aviva tranche 2	15	15	3.3%	7.4	Nov-32
Aviva tranche 3	25	25	4.1%	7.4	Nov-32
Total fixed rate	120	120	3.3%	5.5	
Lloyds Bank revolving credit facility*	60	52 IA +1.62%–1.92%		2.4	Nov-27
Total debt facilities	180	172	4.0%	4.4	

Source: CREI, Edison Investment Research.

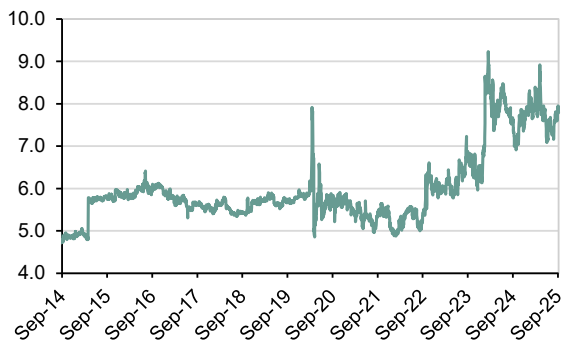
The end-Q126 LTV of 26.9% is slightly above CREI's medium-term target of 25%, but is likely to be reduced by ongoing disposals, including the pending sale of the Merlin residential assets. There is significant headroom against debt covenants, and a substantial pool of assets unencumbered by borrowings (£104m at end FY25). As of end FY25, property valuations would need to decrease by 13% to risk breaching the LTV covenant on the facility with least headroom, assuming no unencumbered assets were charged, or 20% at the portfolio level's overall LTV covenant.

The rate of loss or deferral of contractual rent on the borrowing facility with least headroom would need to deteriorate by 17% to breach interest cover covenants, assuming no unencumbered assets were charged.

Valuation and performance

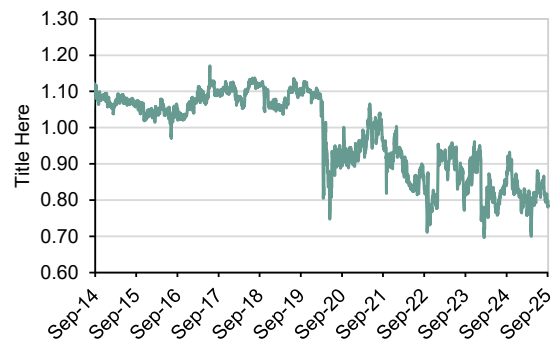
CREI's target DPS for FY26 of no less than 6.0p represents a prospective yield of 7.5%. Meanwhile, the shares trade at a 17% discount to the Q126 NAV per share of 96.7p. On both measures, the current calculation remains well below that seen before the pandemic and the subsequent increase in interest rates.

Exhibit 14: Dividend yield history



Source: CREI trailing DPS data, LSEG Data & Analytics share prices

Exhibit 15: P/NAV history



Source: CREI trailing NAV data, LSEG Data & Analytics prices

The table below compares CREI with a selected group of peers, all targeting income from diversified portfolios. The list has narrowed considerably in the past two years as a result of the corporate activity that has seen several diversified REITs (and many others across the broader REIT sector) being acquired or taking a decision to liquidate their portfolios and de-list.

CREI's yield is at a premium to the peer group, despite the average being reduced by Picton, with its more total return strategy, giving greater focus on reinvesting to generate capital growth. Furthermore, CREI trades on a slightly lower P/NAV than the peer average, in contrast to its premium rating before the pandemic.

We believe that CREI's historical premium rating was at least in part due to its ability to tap the market, or issue equity to meet investor demand, at prices above NAV, providing an accretive mechanism to fund portfolio growth, build scale and achieve efficiencies. The recent all-share acquisition of the Merlin portfolio brings similar benefits despite the shares trading at a discount.

Exhibit 16: Peer performance and valuation

	Price (p)	Market cap (£m)	P/NAV* (x)	Trailing yield** (%)	Share price performance			
					1 month	3 months	1 year	3 years
AEW REIT	105	166	0.96	7.6	0%	1%	5%	0%
Picton Property Income	76	397	0.75	4.9	1%	-7%	-1%	-11%
Schroder REIT	48	237	0.78	7.4	-6%	-10%	-5%	-1%
Average			0.83	6.7	-2%	-5%	0%	-4%
Custodian Property Income	80	371	0.84	7.5	3%	-1%	-6%	-20%
UK property sector index	1,132				-4%	-10%	-20%	-23%
UK equity market index	5,018				1%	5%	11%	26%

Source: Company data, LSEG Data & Analytics. Note: Prices at 29 September 2025. *Based on last reported EPRA NAV/NTA. **Based on trailing 12-month DPS declared.

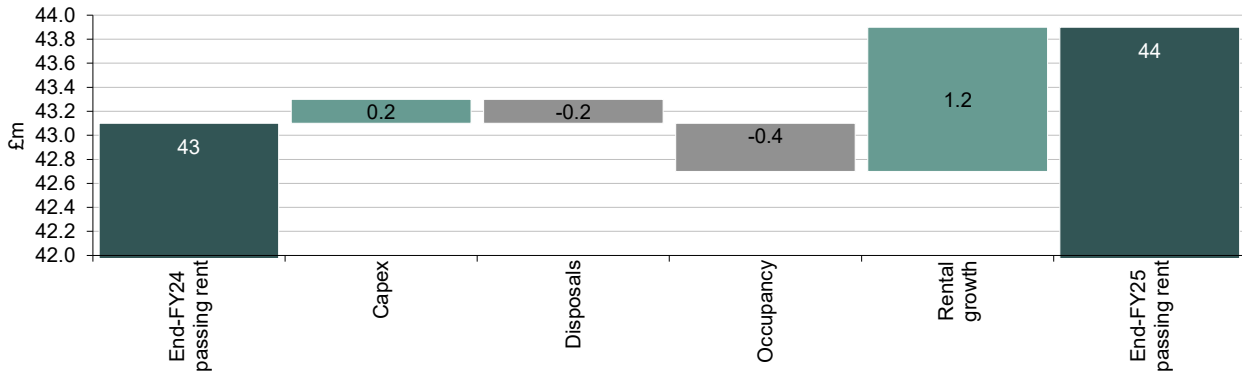
Summary of recent financial results

CREI's FY25 results were published in June 2025, although a number of key financial and operational performance metrics were available in the four quarterly reports published through the year. The Q126 update was published in early September. In FY25, modest net rental growth and lower finance costs offset modestly higher costs. Earnings momentum and property revaluation gains built in H2 versus H1.

During FY25, annualised passing rent increased by 1.9% to £43.9m with rental growth and capex-related rent increases partly offset by disposals and a reduction in occupancy. Like-for-like rent growth was 2.3%, which included 15 rent reviews at an average 29% uplift to previous passing rent, securing new rental income of £0.7m per year. In addition, 64 new lettings, lease renewals and lease re-gears added a further c £0.5m. Due to lease expiries, occupancy reduced to 91.1% from 91.7% at end FY24.

During Q126, the rent roll increased to £44.9m, primarily comprising c £1.7m from the acquisition of the Merlin commercial property assets, partly offset by disposals of c £0.5m. Positive leasing activity during the quarter included two rent reviews with an aggregate 25% increase in annual rent (£25k), in line with ERV; seven lease renewals and regears, in aggregate 8% ahead of ERV and in line with the previous passing rent; and the letting of three vacant units with annual rent of £965k (1.9% of ERV).

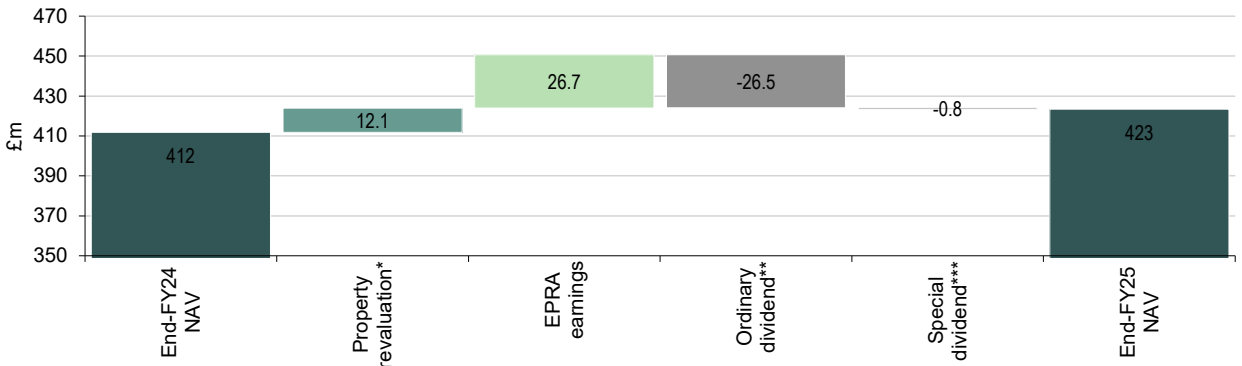
Exhibit 17: Annualised passing rent bridge



Source: CREI data

With EPRA earnings substantially matched by ordinary dividends paid, during 2025 and Q126, property revaluation movements have been the driver of increases in NAV. The FY25 NAV movement also included the payment of the special dividend declared at the end of FY24. During Q126, net asset value increased from £423m to £449m, including c £20m of equity issuance (net of costs) for Merlin. In per share terms, valuation increases (0.8p) and realised gains (0.2p) were partly offset by Merlin acquisition impacts and NAV per share increased by 0.6p to 96.7p.

Exhibit 18: NAV bridge



Source: CREI.

Note: *Property revaluation includes realised gains on disposal of £0.4m. **Ordinary dividends paid in the year comprised payments in respect of Q424 and the first three quarters of FY25. The special dividend paid in FY25 relates to the FY24 year.

The quarterly data below highlights the increasing momentum in both EPRA earnings and capital growth in H225.

Exhibit 19: Quarterly development of earnings and NAV

	Q124	Q224	Q324	Q424	FY24	Q125	Q225	Q325	Q425	FY25	Q425
£m unless stated otherwise	Jun-23	Sep-23	Dec-23	Mar-24		Jun-24	Sep-24	Dec-24	Mar-25	Mar-25	Jun-25
Opening NAV	437.6	434.9	422.8	411.2	437.6	411.8	410.3	412.6	416.0	411.8	423.4
Valuation movement	(3.3)	(12.3)	(11.0)	(0.5)	(27.2)	(1.0)	2.6	3.0	7.1	11.7	3.9
Profit/(loss) on disposal	0.0	0.0	0.0	1.4	1.4	0.2	(0.1)	0.3	0.0	0.4	0.7
Acquisition costs	0.0	0.0	(0.6)	(0.9)	(1.5)	0.0	0.0	0.0	0.0	0.0	0.0
EPRA earnings	6.7	6.3	6.1	6.7	25.7	6.7	6.4	6.7	6.9	26.7	6.9
Dividends paid	(6.1)	(6.1)	(6.1)	(6.1)	(24.2)	(7.4)	(6.6)	(6.6)	(6.6)	(27.2)	(6.6)
Merlin initial equity consideration											21.2
Merlin acquisition costs											(0.9)
Closing NAV	434.9	422.8	411.2	411.8	411.8	410.3	412.6	416.0	423.4	423.4	448.7
NAV per share (p)	98.6	95.9	93.3	93.4	93.4	93.1	93.6	94.4	96.1	96.1	96.7
EPRA EPS (p)	1.5	1.4	1.4	1.5	5.8	1.5	1.5	1.5	1.6	6.1	1.5
DPS declared (p)	1.4	1.4	1.4	1.4	5.8	1.5	1.5	1.5	1.5	6.0	1.5
Special DPS declared (p)	-	-	-	0.3	1.0	-	-	-	-	-	-
NAV total return (based on DPS paid)	0.7%	-1.3%	-1.3%	1.6%	-0.4%	1.5%	2.1%	2.5%	3.4%	9.5%	10.3%

Source: CREI

The table below provides a detailed summary of the FY25 results. We highlight the following:

- Gross rental and other income increased by 3%, despite disposals, although much of the growth was offset by increased property operating costs. Net rental income increased by around 1%. Gross income includes £0.5m of income (FY24: £0.2m) from the installed solar panels.
- Administrative expenses were well-controlled, increasing by around 2%. Nonetheless, the ongoing charges ratio (OCR), excluding direct property costs, a measure of costs relative to average net assets, increased to 1.30% from 1.24%. Around half the increase represented lower average net asset value for the year and the balance the increase in costs. The EPRA cost ratio, a measure of expenses relative to income, excluding void property costs, increased to 19.7% from 17.4%, primarily due to higher direct property expenses (other than void costs). We forecast that both the OCR and EPRA cost ratio will decline over the next two years.
- Net finance costs reduced, resulting from lower average unhedged floating rate debt and the reduction in the interest rates.
- EPRA earnings advanced by c 4% to £26.8m or 6.1p per share, covering DPS 1.01x.
- Aggregate DPS declared of 6.0p was c 3% ahead of FY24, which included a 0.3p special dividend. Excluding this, the FY25 quarterly rate of 1.5p per share was 9% ahead of that in FY24 (1.375p).
- Including property revaluation gains of £11.2m net of depreciation (£0.3m) and a £0.4m net profit on disposal, EPRA NTA (and IFRS NAV) increased by c 3% to 96.1p.
- Including DPS paid, the NAV total return was 9.5%.

Exhibit 20: Summary of FY25 financial performance

Year to 31 March (£m unless stated otherwise)	FY25	FY24	FY25/FY24	H125	H225	H225/H125
Gross rental & other income	44.4	43.0	3%	21.8	22.6	4%
Non-rechargeable property costs	(4.9)	(3.9)	25%	(2.4)	(2.5)	3%
Net rental income	39.5	39.1	1%	19.4	20.1	4%
Administrative expenses (exc. depreciation)	(5.4)	(5.3)	2%	(2.6)	(2.8)	4%
Operating Profit before revaluations	34.1	33.8	1%	16.8	17.4	4%
Net finance expense	(7.4)	(8.0)	-9%	(3.7)	(3.7)	0%
EPRA earnings	26.8	25.7	4%	13.2	13.6	3%
Revaluation of investment properties net of depreciation	10.9	(27.1)		1.6	9.4	
Profit on disposal	0.4	1.4		0.1	0.3	
Abortive transaction costs	0.0	(1.6)				
IFRS earnings	38.2	(1.5)		14.9	23.3	
IFRS EPS (p)	8.7	(0.3)		3.4	5.3	
EPRA EPS (p)	6.1	5.8	4%	3.0	3.1	5%
DPS (declared) (p)	6.0	5.8	3%	3.0	3.0	0%
EPRA earnings/dividends paid in period (x)	1.01	1.01		0.99	1.04	
IFRS NAV & EPRA NTA per share (p)	96.1	93.4	3%	93.6	96.1	3%
Investment portfolio (£000s)	594.4	578.1		582.4	594.4	
NAV total return	9.5%	-0.3%		3.6%	5.8%	
Net LTV	27.9%	29.2%		28.3%	27.9%	

Source: CREI data, Edison Investment Research

Additional portfolio details

The table below shows the development of the portfolio over the past five years.

Exhibit 21: Portfolio summary

	31-Mar-25	31-Mar-24	31-Mar-23	31-Mar-22	31-Mar-21
	FY25	FY24	FY23	FY22	FY21
Portfolio value	£594.4m	£589.1m	£613.6m	£665.2m	£551.9m
Number of assets	151	155	159	160	159
Average lot size	£3.9m	£3.8m	£3.9m	£4.2m	£3.5m
Separate tenancies	349	335	319	339	265
Annualised contracted rent roll	£43.9m	£43.1m	£42.1m	£40.4m	£38.7m
Estimated rental value (ERV)	£50.2m	£49.4m	£49.0m	£45.6m	£42.6m
EPRA occupancy rate	91.1%	91.7%	90.3	89.9%	91.6%
WAULT	5.0 years	4.9 years	5.0 years	4.7 years	5.0 years
EPRA topped-up net initial yield (NIY)	6.6%	6.6%	6.2%	5.7%	6.6%
Weighted average EPC rating	C (51)	C (53)	C (58)	C (61)	C (63)

Source: CREI data

At end-FY25, the top 10 tenants, representing around 24% of overall rent roll, comprised mostly well-known names. The largest was Menzies Distribution (3.9% of passing rent), one of the UK's leading urban logistics businesses, although, even here, CREI's exposure is spread over eight individual assets. Other large tenant exposure is similarly spread across a number of assets and the single largest asset exposure was 1.75%.

Exhibit 22: Top 10 occupiers

	Locations	Passing rent	% of total
Menzies Distribution	Aberdeen, Edinburgh, Glasgow, Ipswich, Norwich, Dundee, Swansea, York	£1.7m	3.9%
Wickes Building Supplies	Winnersh, Burton upon Trent, Southport, Nottingham, Leighton Buzzard	£1.5m	3.5%
B&M Retail	Swindon, Ashton-under-Lyne, Plymouth, Carlisle	£1.4m	3.1%
B&Q	Banbury, Weymouth	£1.0m	2.3%
Matalan	Leicester, Nottingham	£1.0m	2.2%
First Title*	Leeds	£0.9m	2.1%
DFS	Droitwich, Measham	£0.9m	2.0%
Zawi	Winsford	£0.7m	1.7%
Next	Evesham, Motherwell	£0.7m	1.6%
Nicwood Logistics	Burton upon Trent	£0.6m	1.5%
Top 10 tenants		£10.4m	23.9%

Source: CREI. Note: *Trading as Enact Conveyancing.

Additional details on the company and management

Custodian Property Income REIT is an externally managed UK REIT, listed on the Main Market of the London Stock Exchange since 2014. Its stated purpose is to offer investors the opportunity to access a diversified portfolio of UK commercial real estate, with strong environmental credentials, which can provide an attractive level of income and the potential for capital growth. It aims to be the REIT of choice for private and institutional investors seeking high and stable dividends from well diversified UK real estate.

CREI is externally managed by Custodian Capital, a wholly owned subsidiary of Mattioli Woods (MW), the specialist wealth management and employee benefits consultant, with approximately £16bn of assets under management or advice. The REIT originated from MW and its clients, which provided the initial £95m portfolio of 48 properties that had previously been held in syndicated structures managed by MW. Custodian Capital was appointed investment manager of CREI at the time of listing, an arrangement that is subject to regular board review.

In September 2024, MW was acquired by Tiger Bidco, a wholly owned subsidiary of investment vehicles advised and managed by Pollen Street Capital. In the FY25 annual report, CREI's board said that it does not expect any operational changes as a result.

The board

CREI's board of directors comprises six members, all of whom are non-executive and five of whom are deemed independent. David MacLellan has chaired the board since 2023. David has more than 35 years' experience in private equity and fund management and has an established track record as chair and as a non-executive director of public and private companies.

The other directors are: Elizabeth McMeikan (senior non-executive director, or NED), a former Tesco executive and experienced board member, appointed in March 2021; Hazel Adam, who joined the board in December 2019, bringing a range of experience including in the buy-side and sell-side investment industry, strategies and markets; Chris Ireland, a former CEO of JLL UK and former chair of the Investment Property Forum, who also joined the board in March 2021; Malcolm Cooper, who has extensive board experience and a background in corporate finance, infrastructure and property, and who joined the board in June 2022; and Nathan Imlach, chief strategic officer of MW. He replaced Ian Mattioli, MW's CEO, for a transition period up until no later than the end of 2025, following which the board will become fully independent. Ed Moore, finance director of Custodian Capital, is company secretary to CREI. Full details of the board can be found on the company's [website](#).

Board fees paid and directors' interests are shown below. With effect from 1 April 2025, the board approved the following annual fees: David MacLellan – £75,000; Malcolm Cooper – £50,500; Elizabeth McMeikan – £50,500; Chris Ireland – £50,500; Hazel Adam – £47,500 and Nathan Imlach – £45,000.

Exhibit 23: Board remuneration and share ownership

		Fees during:		Shares held at:	
		FY25	FY24	End-FY25	End-FY24
David Hunter	Retired August 2023	N/A	£24,855	N/A	6,069,506
David MacLellan	Appointed May 2023	£73,000	£56,623	144,500	144,500
Ian Mattioli	Retired November 2024	£25,000	£42,000	N/A	N/A
Nathan Imlach	Appointed November 2024	£17,607	N/A	2,359,393	N/A
Hazel Adam		£46,000	£44,250	19,566	19,566
Elizabeth McMeikan		£49,000	£47,250	20,400	20,400
Chris Ireland		£46,000	£44,250	122,500	122,500
Malcolm Cooper		£49,000	£47,250	115,300	115,300
Total		£305,607	£281,623	2,781,659	6,491,772

Source: CREI

The investment manager

Richard Shepherd-Cross is the managing director of Custodian Capital and the fund manager of CREI. He is a former director of Jones Lang LaSalle in London, where he led the portfolio investment team before joining MW in 2009, with responsibility for its syndicated property initiative, the precursor to Custodian. Richard is supported by Custodian Capital's other key personnel, including Ed Moore (finance director), and Alex Nix (assistant investment manager) along with a team of five other surveyors and four accountants.

Management and administration fees are paid to the manager on a sliding scale that allows shareholders to benefit from growth in NAV:

- Property management fees are charged at 0.90% per year on average net assets of up to £200m, 0.75% per year between £200m and £500m, 0.65% between £500m and £750m and 0.55% above £750m.
- Administrative fees are charged at 0.125% per year on average net assets up to £200m, 0.115% per year between £200m and £500m, 0.020% between £500m and £750m and 0.015% above £750m.

Management and administrative fees amounted to £3.9m in FY25 (FY24: £4.0m), reflected in an ongoing charges ratio, excluding direct property expenses, of 1.30% (2024: 1.24%), which is in line with close peers.

Ian Mattioli, Richard Shepherd-Cross and Ed Moore, respectively chairman, managing director and finance director of the investment manager, and their immediate families owned 6,429,807, 371,381 and 102,596 shares, respectively, in CREI as at end FY25.

Sensitivities

The commercial property market is cyclical, historically exhibiting substantial swings in valuation through-cycles. Income returns are significantly more stable, but still fluctuate according to tenant demand and rent terms. From a sector viewpoint, we also highlight the increased risks and uncertainties that attach to development activity, including planning consents, timing, construction risks and the long lead times to completion and eventual occupation. CREI's development exposure is modest and limited to the improvement of existing properties. In this respect, it may best be seen as an extension of its refurbishment activity, aimed at enhancing long-term income growth and returns. Forward-funded development activity is likewise modest and, in our view, very low risk. More generally, we note the sensitivity to the following:

- **Economic risk:** a significant and sustained reduction in economic activity would likely negatively affect occupier demand, rental growth, occupancy and property valuations. Such risks can be mitigated by portfolio diversification. CREI's portfolio is highly diversified by asset, sector, tenant and geography, with a focus on properties with higher yields and residual values.
- **Valuation risk:** while the decline in short-term interest has a positive impact on funding costs for CREI and for occupiers, and supports general economic activity and confidence, longer-term interest rates have a more significant impact on property valuations. Long-term rates have not fallen in line with short-term rates, at least in part reflecting stubborn inflation and pressures on government budgets.
- **Energy performance considerations:** a failure to successfully meet regulatory and/or tenant expectations for energy performance enhancement would likely affect CREI's ability to let properties on satisfactory terms and may make properties unlettable.
- **Funding risks:** at end FY25, 20% of drawn debt was exposed to interest rate risk, and the balance fixed rate. The proportion of floating rate debt will increase with the maturity of the £20m fixed-rate loan note in August 2025, to around 28%. With moderate gearing, a significant pool of unencumbered assets and strong interest cover, CREI is securely funded.
- **Management risk:** as CREI is externally managed, any management risk is indirect. Custodian Capital, the external manager, operates with a relatively small team and, if a senior member of that team were to leave, they would need to be replaced.

Exhibit 24: Financial summary (£m)

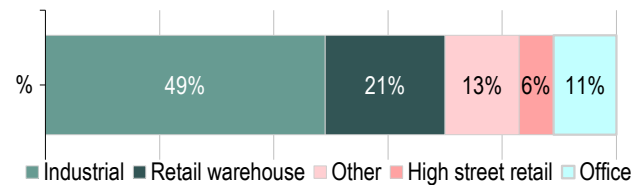
Year end 31 March	2022	2023	2024	2025	2026e	2027e
INCOME STATEMENT						
Gross rental & other income	39.0	40.6	43.0	44.4	45.0	45.4
Non-recoverable property costs	(3.4)	(3.5)	(3.9)	(4.9)	(4.3)	(3.8)
Net rental income	35.6	37.1	39.1	39.5	40.7	41.6
Administrative expenses	(5.5)	(6.0)	(5.4)	(5.7)	(6.0)	(6.1)
Operating Profit before revaluations	30.1	31.0	33.7	33.9	34.8	35.5
Revaluation of investment properties	94.0	(91.6)	(27.0)	11.2	8.6	7.1
Costs of acquisitions	(2.3)	(3.4)	(1.6)	(0.0)	0.0	0.0
Profit/(loss) on disposal	5.4	4.4	1.4	0.4	0.0	0.0
Operating Profit	127.2	(59.6)	6.5	45.5	43.4	42.6
Net Interest	(4.8)	(6.3)	(8.0)	(7.4)	(7.1)	(7.1)
Profit Before Tax	122.3	(65.8)	(1.5)	38.2	36.2	35.4
Taxation	0.0	0.0	0.0	0.0	0.0	0.0
Profit After Tax	122.3	(65.8)	(1.5)	38.2	36.2	35.4
Adjust for:						
Net revaluation of investment property/costs of acquisition	(97.1)	90.6	25.7	(11.4)	(8.3)	(6.8)
Other EPRA adjustments	0.0	0.0	1.6	0.0	0.0	0.0
EPRA earnings	25.3	24.8	25.7	26.8	27.9	28.6
Average Number of Shares Outstanding (m)	428.7	440.9	440.9	440.9	447.304	456.862
IFRS EPS (p)	28.5	(14.9)	(0.3)	8.7	8.1	7.8
EPRA EPS (p)	5.9	5.6	5.8	6.1	6.2	6.3
Dividend per share (p)	5.25	5.50	5.80	6.00	6.00	6.12
Dividend cover (x)	1.10	1.01	1.01	1.01	1.04	1.02
Ongoing charges ratio (excluding property expenses)	1.2%	1.2%	1.2%	1.3%	1.3%	1.3%
NAV total return	28.4%	-12.5%	-0.3%	9.5%	8.1%	8.3%
BALANCE SHEET						
Non-current assets	665.2	614.7	581.1	599.1	621.6	638.3
Investment properties	665.2	613.6	578.1	594.4	617.2	634.1
Other non-current assets	0.0	1.1	3.0	4.7	4.4	4.1
Current assets	16.8	10.6	24.0	15.3	11.2	7.2
Debtors	5.2	3.7	3.3	5.2	5.2	5.2
Cash	11.6	6.9	9.7	10.1	6.0	2.0
Current liabilities	(39.9)	(15.1)	(15.4)	(35.2)	(15.2)	(15.2)
Creditors/Deferred income	(17.2)	(15.1)	(15.4)	(15.2)	(15.2)	(15.2)
Short term borrowings	(22.7)	0.0	0.0	(20.0)	0.0	0.0
Non-current liabilities	(114.5)	(172.7)	(177.9)	(155.7)	(168.1)	(171.5)
Long term borrowings	(113.9)	(172.1)	(177.3)	(153.6)	(166.0)	(169.4)
Other long term liabilities	(0.6)	(0.6)	(0.6)	(2.1)	(2.1)	(2.1)
Net assets	527.6	437.6	411.8	423.5	449.5	458.8
NAV/share (p)	119.7	99.3	93.4	96.1	97.9	99.9
EPRA NTA/share (p)	119.7	99.3	93.4	96.1	97.9	99.9
CASH FLOW						
Net cash flow from operating activity	28.1	24.3	23.2	25.0	26.7	27.0
Net acquisitions and disposals (including costs)	31.8	(27.5)	18.0	14.7	16.2	0.0
Capex	(3.5)	(12.6)	(19.0)	(8.2)	(6.9)	(6.0)
Net cash flow from investing activity	28.3	(40.1)	(1.0)	6.6	9.3	(6.0)
Net proceeds from share issuance	0.5	0.0	0.0	0.0	0.0	0.0
Ordinary dividends paid	(24.2)	(24.3)	(24.2)	(27.2)	(27.3)	(28.0)
Debt drawn/(repaid)	(25.1)	35.3	4.8	(4.0)	(8.0)	3.0
Net cash flow from financing activities	(48.7)	11.0	(19.4)	(31.2)	(40.3)	(25.0)
Net Cash Flow	7.7	(4.7)	2.8	0.4	(4.3)	(4.0)
Opening cash	3.9	11.6	6.9	9.7	10.1	5.8
Closing cash	11.6	6.9	9.7	10.1	5.8	1.9
Debt as per balance sheet	(136.6)	(172.1)	(177.3)	(173.6)	(169.0)	(166.4)
Unamortised loan arrangement fees	(1.2)	(1.4)	(1.7)	(1.4)	(1.0)	(0.6)
Total debt	(137.8)	(173.5)	(179.0)	(175.0)	(170.0)	(167.0)
Restricted cash	(1.1)	(1.5)	(2.5)	(2.2)	(2.2)	(2.2)
Closing net debt	(127.3)	(168.1)	(171.8)	(167.1)	(166.4)	(167.3)
Net LTV	19.1%	27.4%	29.2%	27.9%	26.8%	26.2%

Source: Custodian Property Income REIT historical data, Edison Investment Research forecasts

Contact details

Custodian Property Income REIT
 c/o Custodian Capital
 1 New Walk Place, Leicester
 LE1 6RU UK
 +44116 240 8740
 Company website: www.custodianreit.com
 Investment adviser website: www.custodiancapital.com

Revenue by geography



The percentages in this chart represent annualised passing rent by sector

Management team

Independent non-executive chair, Custodian Property Income REIT: David MacLellan

David MacLellan has over 35 years' experience in private equity and fund management, significant board experience, both public and private, and is a chartered accountant. During his executive career he was an executive director of Aberdeen Asset Management following its purchase of Murray Johnstone in 2000, where he was group managing director. He is currently chair and managing partner of RJD Partners, a private equity business, an NED of Lindsell Train Investment Trust and of J&J Denholm, a family-owned business involved in shipping, logistics, seafoods and industrial services, and an NED of Aquila Renewables, an investment trust. Previously, David has chaired John Laing Infrastructure Fund, a UK 250 investment company, Stone Technologies, Havelock Europa, Britannic UK Income Fund, he was a NED at Maven Income & Growth VCT 2 and has been a director of a number of private equity-backed businesses.

Senior independent NED, Custodian Property Income REIT: Elizabeth McMeikan

Elizabeth McMeikan's substantive executive career was with Tesco, where she was a stores board director before embarking on a non-executive career in 2005. She is currently chair of Nichols, a diversified soft drinks group, and senior independent director and remuneration committee chair of Dalata Hotel Group, the largest hotel group in the Republic of Ireland. Her other board roles include NED at McBride, Europe's leading manufacturer of cleaning and hygiene products, and NED of Fresca Group, a fruit and vegetable import/export company. Previously, Elizabeth was senior independent director of Unite Group, JD Wetherspoons and Flybe and chair of Moat Homes.

Managing director of Custodian Capital: Richard Shepherd-Cross

Richard Shepherd-Cross is the managing director of Custodian Capital and the fund manager of Custodian REIT. He is a chartered surveyor and a former director of Jones Lang LaSalle in London, where he led its national portfolio investment team. He joined Mattioli Woods in 2009, where he was responsible for the management and growth of the syndicated property portfolio, which was the precursor to CREI. He was instrumental in establishing CREI and raising £55m at IPO.

Finance director, Custodian Capital: Ed Moore

Ed Moore qualified as a chartered accountant with Grant Thornton in 2003. He is finance director of Custodian Capital, with responsibility for all day-to-day financial aspects of its operations, and company secretary of Custodian REIT, where his key responsibilities are ongoing regulatory compliance, accurate external and internal financial reporting and maintaining a robust control environment. Since the Custodian REIT IPO in 2014, Ed has overseen the company raising more than £300m in new equity, arranging or refinancing eight loan facilities and completing four corporate acquisitions.

Principal shareholders

	%
BlackRock Investment Management	3.3%
Mattioli Woods	2.8%
Legal & General	2.0%

Source: LSEG Data & Analytics, 20 August 2025

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