

Grainger sees profits and revenues rise on the back of rental sector strategy

Property group Grainger plc has seen a big rise in profits on the back of its strategy to build up its presence in the private rental market increased revenues.

The Newcastle firm has release full-year results for the period ending September 30 which show that total revenue rose 16% to £248.9m while operating profit went up 6.6% to £113.8m. The company's profit before tax rose more than 50% to £152.1m.

Grainger said that the private rental sector now accounted for more than two-thirds of its total portfolio and that 1,304 new rental properties had been added to its portfolio this year.

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The company said it was now "entering our next phase of dynamic growth" with a development pipeline close to £1bn which would deliver almost 4,000 new homes.

Grainger chief executive Helen Gordon said: "Our well-established growth strategy has continued unabated with our delivery of more than 1,300 new operational PRS homes and four new acquisitions totalling £299m of investment.

"The UK private rented sector, particularly build-to-rent, remains a highly attractive sector to invest in. It proved resilient during the pandemic. Our strategy of investing in high quality, mid-market private rental homes in target cities across the UK, identified by our in-house research and aligned to sound responsible business and ESG values, remains the right strategy for Grainger.

"Looking to Grainger's future, we plan to increase our growth

momentum and build upon our £3.1bn operational portfolio of 9,727 rental homes. Our £1.9bn PRS pipeline will more than double our net rental income.



Helen Gordon, CEO of Grainger Plc
(Image: Grainger Plc)

“This growth will enable us to further enhance shareholder returns. The scalable platform we have developed delivers a compounding effect on earnings growth as we increase our top line rental income, which we expect to increase 2.5 times from our pipeline.

“Grainger is at an exciting point in its continued growth momentum, and with its compounding earnings growth potential, scalable platform and PRS pipeline, remains well placed to deliver continued growth in shareholder returns.”

Founded in 1912, Grainger is the UK’s largest listed residential landlord.

This week it announced it had acquired new development plots in Exeter and Sheffield while in June it announced a long-sought after development in its home city after acquiring The Forge, near Newcastle’s Quayside, in a £57m deal.

The company’s results showed that Grainger now has £1.2bn worth of property in London and the South East and £796m in the regions, but the latter increased in value more during the last year.

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