

MediaCity owner Landsec returns to half-year profit as retail sector bounces back

The majority owner of MediaCity swung to a half-year profit as the retail sector bounces back and workers return to offices following the lifting of pandemic restrictions.

Commercial landlord Land Securities – also known as Landsec – posted a pre-tax profit of £275m for the six months to September 30, against losses of £835m a year earlier.

It said key retail rents were now reaching a stable point as the hard-hit sector recovers after a series of lockdowns, while office rents in prime London sites have proved “resilient”.

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Landsec said it expects the rebound in office demand to continue for the rest of the year, with office use now at around 55% of pre-Covid levels, having increased “markedly” in the past couple of months.

The group said its outlook was one of “cautious optimism”, reports the PA news agency.

The figures come after Landsec bought a majority stake in MediaCity for more than £425m [at the start of the month.](#)

Landsec said: “As a result of the success of its vaccination programme, the UK appears reasonably well placed to navigate autumn and winter without needing to revert to lockdowns or other excessively restrictive measures.

“However, it is by no means certain that this will be the

case.

“In addition, people’s behaviour patterns are still difficult to predict; it is challenging to discern short-term ‘pent-up’ demand-driven factors from long-term trends; and supply chain disruption is likely to remain an issue for a number of months, raising inflation concerns.”

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Landsec's figures showed that gross rental income fell 3.8% to £282m in the first half, pushing revenues down to £315m from £327m a year ago.

But the value of the firm's combined portfolio rose to £11 billion from £10.8 billion a year earlier.

It hiked its dividend to 15.5p from 12p a year ago, helping shares lift 3%.

The group said retail centres continue to benefit from a shift away from high streets, with brand partner sales now within around 3% of pre-pandemic levels.

Outlet portfolio like-for-like sales rose 7.9% in the half-year on a two-year basis.

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