# Shaftesbury Capital raises dividend amid strong West End recovery as Derwent London trims portfolio



Shaftesbury Capital, the London West End-focused real estate investment trust (REIT), has reported robust momentum entering the second half of 2025, reflecting a positive recovery and growth in the prime property market. Underlying earnings grew 16% to 2.2p per share for the first half, prompting an increase in the interim dividend to 1.9p from 1.7p per share. Net tangible equity also saw a rise of 3.3%, reaching 206.8p per share. This performance aligns with the company’s full-year results for 2024, which showed a 4.5% increase in portfolio valuation to £5 billion, driven by a 7.7% rise in estimated rental value (ERV). Shaftesbury reported an 8.0% like-for-like increase in annualised gross income to £202.8 million and maintained a low vacancy rate of 2.6% of ERV. Despite a notable 66% drop in pre-tax profit for 2024, largely due to the absence of a one-off gain realized in the previous year, the group’s operational metrics, including footfall and customer sales, continued to strengthen, underscoring resilience in the West End market. The company also proposed an 11% increase in its total dividend for 2024 to 3.5p per share, capitalising on strong leasing performance and a healthy balance sheet featuring £560 million of liquidity and an EPRA loan-to-value ratio of 27%.

Derwent London, the largest office REIT in London, has bolstered its investment portfolio by selling Francis House, a refurbished former Army & Navy store in Westminster, for £54.2 million before costs to a local government pension scheme. The disposal, which aligns with the December 2024 book value, yields a net initial yield of 4.9% for the purchaser. This transaction is expected to be slightly accretive to Derwent’s earnings as proceeds are recycled into assets with higher yields. Francis House is notable for its heritage and substantial floor-to-ceiling heights, with existing leases to Channel Four Television securing a steady rental income. Derwent’s strategic asset management, including the assembly of an island block in Victoria through acquisitions like Francis House, signals ongoing confidence in London office real estate despite wider economic uncertainties.

Unite Group, a leading student accommodation provider, delivered a solid first half for 2025, with adjusted earnings rising by 15% year-on-year to £144.2 million and adjusted earnings per share increasing 3% to 29.5p. CEO Joe Lister highlighted strong underlying demand driven by record university enrolments, including a notable recovery in international student recruitment, which reflects the UK's growing appeal as a premier study destination. This positive trajectory marks an important counterbalance amid broader economic concerns, emphasising the resilience of the higher education sector within real estate investment.

Schroder British Opportunities (SBO) is pursuing a strategic refocus, seeking shareholder approval to concentrate its £55 million growth capital entirely on private equity and to advance its continuation vote to early 2027 from 2028. Though its net asset value per share showed only a modest 0.5% increase in the year ended 31 March 2025, the managers are optimistic given a "robust pipeline" of private equity deals. However, the company’s shares still trade at a 33% discount to net asset value, highlighting investor caution and underscoring the uncertain long-term outlook.

In the private equity space, Literacy Capital reported a 1.6% rise in net asset value per share to 519.5p for the quarter ended 30 June 2025. This uplift followed the partial sale and reinvestment in Velociti Solutions at a premium of 52% over the prior valuation, supplemented by contributions from two new portfolio companies, Red Sky and Trinitatum. Fund manager Richard Pindar noted that while the past 18 months featured challenging macroeconomic and political conditions, the recent signs of improving deal volumes and investor confidence could enhance NAV growth and share price performance.

Meanwhile, Apax Partners has raised its irrevocable commitments to support the recent cash offer for Apax Global Alpha to 38.43%, indicating a strong backing for the deal.

Bellevue Healthcare is preparing for a general meeting on 12 August to seek shareholder approval for continuing share buybacks under its zero discount policy, which has reduced the discount on its shares to an average 1.2% since April. The company’s activist shareholder, Saba Capital, remains influential in shaping these buyback strategies.

Among institutional holdings, Schroders has emerged with a 5.7% stake in Cordiant Digital Infrastructure, a £733 million investment company trading on a 25% discount. Raymond James Wealth Management holds a 5% position in Schroder Oriental Income, an Asia Pacific trust with a 4% yield and a 4.6% discount to NAV. UBS Bank and Wealth Management owns 5.8% of Abrdn Property Income, which continues its wind-down strategy, and whose shares currently stand on a 31% discount amid ongoing disposals.

Together, these developments illustrate a dynamic landscape in UK real estate and private equity investment trusts. While property companies like Shaftesbury Capital and Derwent London benefit from London’s sustained appeal and strategic asset management, other investment trusts are recalibrating their focus or navigating discount challenges amid shifting market conditions. The growing interest in student accommodation and infrastructure funds adds further texture to this evolving sector landscape.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://quoteddata.com/2025/07/quoteddatas-morning-briefing-29-july-shc-dln-utg-sbo-book-apax-bbh-cord-soi-api/), [[3]](https://www.research-tree.com/newsfeed/article/shaftesbury-capital-final-results-2746104), [[4]](https://www.sharecast.com/equity/shaftesbury_capital/financials/fundamentals/a), [[6]](https://www.morningstar.co.uk/uk/news/AN_1740654082447483600/shaftesbury-capital-raises-dividend-but-reports-decline-in-2024-profit.aspx)
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* Paragraph 6 – [[1]](https://quoteddata.com/2025/07/quoteddatas-morning-briefing-29-july-shc-dln-utg-sbo-book-apax-bbh-cord-soi-api/), [[2]](https://quoteddata.com/2025/07/quoteddatas-morning-briefing-29-july-shc-dln-utg-sbo-book-apax-bbh-cord-soi-api/)
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## Bibliography

1. <https://quoteddata.com/2025/07/quoteddatas-morning-briefing-29-july-shc-dln-utg-sbo-book-apax-bbh-cord-soi-api/> - Please view link - unable to able to access data
2. <https://quoteddata.com/2025/07/quoteddatas-morning-briefing-29-july-shc-dln-utg-sbo-book-apax-bbh-cord-soi-api/> - This article provides a comprehensive overview of recent developments in various real estate and investment companies. It highlights Shaftesbury Capital's strong performance, including a 16% increase in underlying earnings and a proposed dividend rise. Derwent London is noted for the sale of Francis House to a local government pension scheme, aligning with its December 2024 book value. Unite reports a 15% rise in adjusted earnings, attributing growth to increased university enrolments. Schroder British Opportunities seeks shareholder approval to focus entirely on private equity, with a slight increase in net asset value per share. Literacy Capital's net asset value per share rose by 1.6%, with new investments contributing positively. Apax Partners secured additional commitments for its cash offer for Apax Global Alpha, increasing the total to 38.43%. Bellevue Healthcare plans a general meeting to approve continued share purchases under its zero discount policy, with activist Saba Capital as a shareholder. Schroders holds a 5.7% stake in Cordiant Digital Infrastructure, a £733 million investment company. Raymond James Wealth Management holds 5% in Schroder Oriental Income, a £694 million Asia Pacific trust. UBS has a 5.8% stake in Abrdn Property Income, which is undergoing a wind-down and disposal programme.
3. <https://www.research-tree.com/newsfeed/article/shaftesbury-capital-final-results-2746104> - Shaftesbury Capital has reported strong annual results, with valuations up 4.5%, indicating a positive shift in the real estate market. The portfolio value in London's West End at the end of 2024 was £5.0 billion, driven by a 7.7% increase in estimated rental value (ERV). This led to a 5.2% rise in EPRA net tangible assets (NTA) per share to 200.2p. Underlying earnings increased by 16.2% to 4.0p per share, prompting the company to propose a total dividend of 3.5p for 2024, an 11% increase from 2023. Operational highlights include 473 leasing transactions representing £48.7 million of contracted rent, an 8.0% like-for-like increase in annualised gross income to £202.8 million, and a 7.7% like-for-like increase in ERV to £250.6 million. The vacancy rate stands at 2.6% of ERV, with customer sales up 3.1% on a like-for-like basis. Since the merger, £246.6 million of disposals have been completed, with £86 million reinvested in acquisitions. The company also sold a 50% interest in Longmartin to its joint venture partner for £94 million. The balance sheet remains strong, with access to £560 million of liquidity, net debt of £1.4 billion, and an EPRA loan-to-value ratio of 27%.
4. <https://www.sharecast.com/equity/shaftesbury_capital/financials/fundamentals/a> - Shaftesbury Capital PLC, a real estate investment trust focused on London's West End, has reported a 16% increase in underlying earnings per share to 4.0p for the year ending 31 December 2024. The company has proposed a total dividend of 3.5p per share, up from 3.15p in 2023. The property portfolio valuation increased by 4.5% on a like-for-like basis to £5.0 billion, driven by a 7.7% growth in estimated rental value (ERV). The EPRA net tangible assets per share rose by 5.2% to 200.2p. The company completed 473 leasing transactions, representing £48.7 million of contracted rent, and achieved an 8.0% like-for-like increase in annualised gross income to £202.8 million. The vacancy rate is at 2.6% of ERV, with customer sales up 3.1% on a like-for-like basis. The company has a strong balance sheet with access to £560 million of liquidity and an EPRA loan-to-value ratio of 27%.
5. <https://www.derwentlondon.com/news/corporate-news/article/new-acquisition-in-victoria> - Derwent London has completed the acquisition of Francis House, a 57,000 sq ft freehold office building located at 11 Francis Street, London SW1, for £29.1 million before costs. The building is adjacent to Derwent London's existing holdings at Greencoat & Gordon House and 6-8 Greencoat Place, comprising the majority of an island block covering approximately 1.2 acres. Francis House is a former Victorian depositary with generous floor-to-ceiling heights and original warehouse features. The building is let to Channel Four Television under a lease expiring in February 2020, with a total annual income of £1.56 million until February 2015, when there is a fixed rent increase to £1.66 million per annum, reflecting a net initial yield of 5.1%, rising to 5.4%. Part of the ground floor, together with the upper floors, comprising 42,600 sq ft of office space, are let off a low average rent of £36.65 per sq ft (£395 per m2).
6. <https://www.morningstar.co.uk/uk/news/AN_1740654082447483600/shaftesbury-capital-raises-dividend-but-reports-decline-in-2024-profit.aspx> - Shaftesbury Capital PLC reported a 66% decline in profit for 2024, primarily due to a one-off gain in the previous year. The real estate investment trust, formed from the merger of Capital & Counties Properties PLC and Shaftesbury PLC in March 2023, reported a pre-tax profit of £252.4 million in 2024, down from £750.6 million in 2023. The 2023 profit included a gain on bargain purchase of £805.5 million, which was absent in 2024. Full-year revenue increased by 16% to £227.1 million from £195.1 million. Footfall across the group's prime West End portfolio remained high, and customer sales were up 3.1% year-on-year.