

## Devaluations of \$65.8m lead to loss [Doc](#)

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By [Anne Gibson](#)

Listed landlord Kiwi Income Property Trust yesterday reported a half-year loss which it attributed to property devaluations.

Kiwi, which owns properties valued at \$1.8 billion, pushed distributable profit up 7 per cent from \$89.3 million to \$95.5 million in the half-year to September 30.

The trust's properties were devalued by \$65.8 million, causing the bottom-line loss but Kiwi said latest independent valuations indicated the rate of decline in real estate values appeared to be slowing.

Chris Gudgeon, chief executive of Kiwi's manager, said the trust was enjoying high occupancy levels and a sound tenant base. In his outlook, he projected long-term sustainable returns to unit holders.

Stephen Bennie, portfolio manager at NZ Funds Management, said the result showed the strength of Kiwi's diversified property base.

The shopping centre portfolio, which includes Sylvia Park, was the main driver behind a 24 per cent increase in operating profit before tax, he said. Kiwi owns six large shopping centres in Auckland, Hamilton, Palmerston North, Porirua and Christchurch.

The trust said annual retail sales in these six malls were \$1.04 billion in the half-year, down 2.7 per cent on the same time last year.

Bennie praised Sylvia Park, with annual retail sales of more than \$350 million and the busiest mall in New Zealand.

"Management has to secure the right mix of retailers and this must be kept fresh and relevant," Bennie said.

Kiwi had made good progress on the Plaza shopping centre in Palmerston North, he said.

Jeremy Simpson of Forsyth Barr said Kiwi was one of the country's best listed property vehicles with a focus on tightly held prime retail and office assets.

He recommends buying the stock.



The trust owns many malls, including the country's biggest.  
Photo / Kenny Rodger

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