

Are UK REITs the answer for investors amid market uncertainty?



There's an old saying, "in uncertain times, but land, gold, and ammo." Well, March and the start of April have delivered a modern twist on that survivalist mantra.

Matt Norris, head of real estate securities at Gravis and Manager of the VT Gravis UK Listed Property (PAIF) Fund, commented:

"Gold has done what it always does in turmoil — quietly outperformed as investors have sought safety. But the other standout? UK Property. Specifically, next-generation real estate, reminding us of its diversification benefits."

Key take-outs:

- UK REITs are adding diversification
- At a 30% discount to NAV they are undervalued
- UK Core Real Estate is predicted to generate circa 7.5% AGR over next 10 to 15 years

Over the past few weeks – and year to date – the VT Gravis UK Listed Property Fund posted strong returns, driven by exposure to UK REITs aligned with long-term structural trends: ageing population, digitalisation, generation rent and urbanisation.

In a period that shook the markets, owning the right kind of land — and the right kind of gold — still paid off. Ammo? Let's hope we never need that.

Looking ahead, could actively-managed undervalued UK REITs (trading at circa 30% discount to NAV vs a 10-year average of 17.4%*) offer a tariff-resilient anchor in investor portfolios?

With elevated levels of economic and market uncertainty, alternative sources of reliable contractual income, such as rent from next generation critical real assets, may be highly valuable to investors once again!

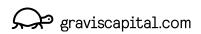
These attributes have not escaped the attention of private equity and international bidders who are looking to acquire some of the best UK REITs.

Indeed, in the most recent JPM Guide to Markets UK Core Real Estate is predicted to generate circa 7.5% AGR over next 10 to 15 years which places the asset class in 3rd position for all asset classes!

*as at 31 March 2025

Index/Fund	Returns 1 March-22 April 2025**	Returns year to date**
Bloomberg Gold Sub	12.67%	20.50%
VT Gravis UK Listed Property	10.58%	9.97%
MSCI UK IMI Core Real Estate	3.69%	5.14%
FTSE 100	-5.26%	2.61%
FTSE All World	-13.97%	-12.06%
S&P 500	-18.55%	-17.98%

^{**}Source: FE Analytics, total returns in sterling, 1 March – 22 April 2025 and 1 January-22 April 2025





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