

Folkestone Plans Disciplined Approach After Special Dividend

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Elizabeth Redman



Greg Paramor; CEO of Folkestone, in his offices in Sydney.

Real estate funds manager and developer Folkestone says it will take a disciplined approach to investments in the coming year as yield-hungry investors keep pouring into real estate.

The comments follow a jump in full-year profit and the announcement of a special dividend that sent its shares up 9.1 per cent to \$1.20 yesterday.

Statutory profit jumped 146 per cent to \$13.4 million in the year to June 30, compared with \$5.5m in the previous year.

The result benefited from growth in funds under management and the launch of two new funds, as well as on-balance-sheet developments, managing director Greg Paramor said.

Revenue more than tripled to \$57.2m in the year, from \$15.8m a year earlier.

Folkestone declared a final ordinary dividend of 2.75c per security and a final special dividend of 0.5c per security, both fully franked.

The group confirmed guidance of a full-year 2018 dividend of 3c per share.

The group offered an upbeat assessment of the Australian economy, saying it was likely to perform well even as global geopolitical issues continue to dominate, with interest rates set to remain low.

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“There will continue to be an abundance of capital searching for opportunities across the real estate sector despite yields in most sectors and markets reaching historic lows,” the group said.

“In such an environment, we will remain disciplined in the implementation of our strategy.”

The group is in due diligence on a number of acquisitions and will keep looking for investments.