

# TRADING UPDATE

For the third quarter ended 30 September 2024

## Operating Environment

A challenging operating environment prevailed during the period on the back of inflationary pressures, liquidity challenges and suppressed agricultural output due to the El Nino weather phenomenon. Intensified pressures on the local currency in Q3 of 2024 culminated in monetary authorities intervening with a raft of tightening measures in September 2024 aimed at anchoring exchange rate volatility and curbing inflation. Early weather forecasts are pointing to improved rains in 2025, providing a positive outlook for food security and improved power supply in the upcoming year.

## Property Market

Real estate remains a preferred hedge against potential loss of value in the wake of continued macroeconomic instabilities. The property market has been experiencing a surge in demand backed by diaspora remittances and complemented by government's efforts towards improvement of infrastructure. Optimistic investment opportunities exist for repurposing of CBD offices which are still struggling with high voids as tenant preferences are shifting towards suburban spaces.

## Portfolio Performance and Prospects

Architectural designs for conversion of Chester House pilot project (Harare) from office use to a licensed hotel were completed and a reputable operator was appointed. The project is now at tendering stage and refurbishments are set to commence in Q1 of 2025, whilst preliminary scoping of Pioneer House (Bulawayo) renovations included in Phase 2 is still underway. Ongoing maintenance works on primarily located buildings in the REIT e.g. Electra House roof repairs are expected to attract more retail tenants in pursuit of higher earnings.

## Unaudited Performance Highlights

The unaudited performance highlights for the period months ended 30 September 2024 are as presented below:

Financial Highlights	30 September 2024 (USD)
Net Rental Income	\$400 198
Profit for the period	\$206 344
Net Asset Value	\$21 036 224
Occupancy Ratio	41%

- Year to date profit for the period was 46% above budget owing to improved earnings on the properties and optimized cost control measures.
- Albeit recording marginal growth during the period, the overall occupancy ratio remains subdued due to evacuations done at Chester House to pave way for renovations.

## Dividend Announcement


The REIT has declared a dividend of USD 22,930 (being 0.0062 United States cents per unit) for the nine months period ended 30 September 2024. The 52% decrease in current dividend distribution compared to Q2 2024 is attributable to funding allocated for maintenance works e.g. roof waterproofing which are critical to preserve the structural integrity of the dilapidated buildings, whilst also attracting more tenants to improve yield.

## Dividend timetable

DETAILS	DATES
Announcement Date	06-Dec-24
Trade cum-Dividend	17-Dec-24
Trade Ex-Dividend	18-Dec-24
Record Date	20-Dec-24
Payment Date	24-Dec-24



On behalf of the Asset Manager  
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