

Listed property performance a pensioner bonus

By [Mariette Warner](#)

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Retirees largely dependent on fixed-income investments have had it tough in South Africa's prolonged low interest environment, but at least one "pensioner bonus" has given them something to smile about - the returns achieved by the JSE's listed property category.

Listed property has many stalwart supporters among older investors. They like six-monthly income distributions linked to the prospect of long-term capital growth.

Listed property, therefore, gives them a cash stream and a chance to combat the erosion of their capital through inflation that has consistently topped 5% in recent years.

The latest set of quarterly figures from the JSE shows listed property has not let them down - yet again these veteran supporters qualify for something of a bonus.

The best performance of any overall JSE category

Listed property achieved a total third-quarter return of 11%, up from 10.3% in the second and 8% in the first quarter. This took year-to-date total returns to 32.2%, the best performance of any overall JSE category.

Solid performance is no fluke. Rental streams from shopping centres, office blocks and industrial premises drive regular distributions that compare well with returns on cash and fixed income. At the same time, the shares of good property companies tend to rise over time.

Since listed property has been treated as a distinct asset class, compound annual returns over one, three, five and nine years have never dipped below 15%. I doubt if any other category can say the same.

Listed property share values can be strongly influenced by interest rate movements. A continuation of the prolonged period of historically low rates should, therefore, work in favour of the asset class some seniors hold in such high regard.

The older, typically steady investor is also rewarded for "stickability" over the long haul.

Listed property doesn't really suit aggressive investors looking for instant gratification. Long-term saver-investors are more at home in the category. These stalwarts have been rewarded quarter after quarter by a solid performer that never lets you down if you just stick with it.

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