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What affects the discount to net asset value in the UK-listed property companies?

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Abstract

This paper investigates empirically the factors that have affected the discount to net
asset va … 013. The
prime fo … The test
results s … -specific
characte … ns with firm
size and … a lower level
of disco … er discount.
Mark … t on the
discoun … count to NAV.
The leve … ng the
existenc … wnership is
usually s …

Keywor…

Disclosure statement

No potential conflict of interest was reported by the author.

Notes

1. NAV per share is EPRA NAV taken from company reports. No adjustments have been made. When not available, the NAV per share has been calculated as: (total assets − total liabilities)/number of shares outstanding.

2. Capital gains tax is not applicable to the companies that converted into REIT status since January 2007. For the property companies with REIT status, the gains from selling UK properties are exempt from tax, provided they are not held for trading or sold in the three years after completion of development. The non-REIT companies may be eligible for rollover tax relief if they buy the new assets within three years of selling the old ones and delay tax payment until they sell the new asset.

3. Since not all the companies in the sample disclosed such information as the percentage of total portfolio invested internationally in the annual report, the dummy variable was used here, so that the number of companies included wouldn't drop off.

4. We re … s NAV as reputati … , the results are broa …

5. We re … by total number … rge the same …

Relat …

The r …

Source: Emerald

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