Could Your Property Become a Stranded Asset?

Why Buildings Gradually Lose Competitiveness - and How Successful Owners Respond

COMPETITIVENESS
begins to deteriorate

- Rental growth slows
- Vacancy increases
- Building systems age
- Maintenance is deferred
- Capital expenditure requirements rise

INCOME RESILIENCE
begins to weaken

- Income becomes concentrated
- Break options or lease expiries approach
- Tenant covenant strength weakens
- Re-letting risk increases
- Occupier demand changes

STRATEGIC FLEXIBILITY
begins to narrow

- Refinancing terms tighten
- Buyer demand weakens
- Market liquidity declines
- Capital is allocated too late
- Alternative strategies are not prepared in advance

THE PROPERTY BECOMES AN ASSET AT RISK

when its competitiveness, income resilience or strategic flexibility begins to deteriorate

ACTIVE PORTFOLIO MANAGEMENT

Recognise change early • Evaluate strategic alternatives • Allocate capital with discipline • Act while meaningful choices remain

Invest • Reposition • Adapt the use • Refinance • Divest

OBJECTIVE Preserve and create long-term property value in line with the owner's objectives.

Conceptual reference: I4CE (2024), From Stranded Assets to Assets-at-Risk. Property-level interpretation developed by Valinfort.

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