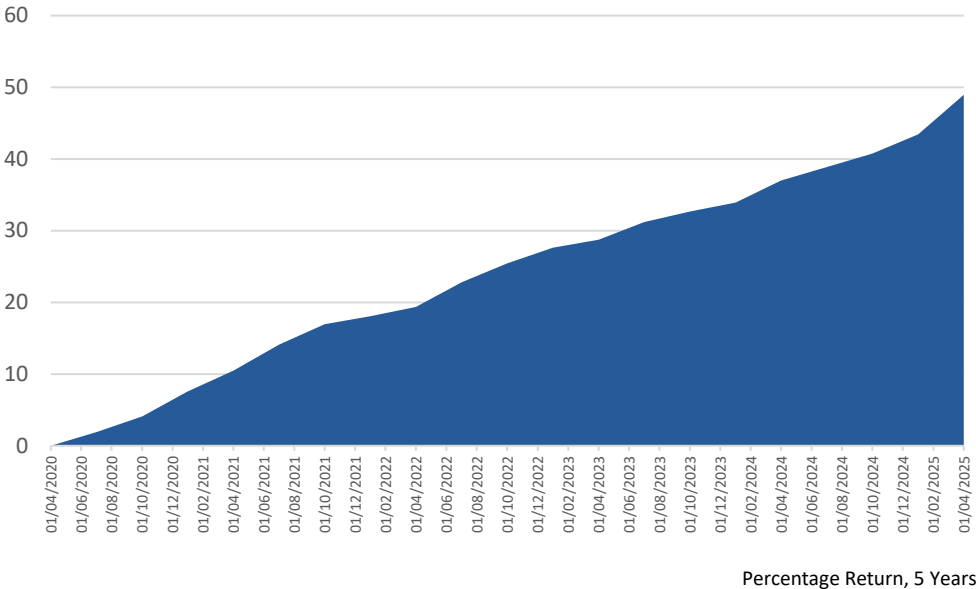




RIO Property produced a gain of 3.86% in the first quarter of 2025, the best quarterly gain since launch. The account has filed twenty-one consecutive gaining quarters, producing a net return of 49.79%.

In March, I visited one of the development sites and met with a developer and following this viewing he made an attractive verbal offer to acquire the block. Should an official written offer follow then this would result in the sale of this land, and in turn lift the second quarter's performance. Of course that is assuming the successful sale of the second portion of the larger site. This sites groundwork's are complete and planning permission has been granted for the parcel of land.

Last month, in my visit to RIO's high street office blocks I saw firsthand that the works on the first and second floors is now complete, work on the third and fourth floors will commence this month. When such works are finalised these buildings will be offered for sale or let. Another positive is that we have the inside track on a city centre site and are about to make an offer on the same, if this is acquired and then subsequently renovated the site has a strong upside potential.



The Market

UK house prices ended 2024 on a positive note, and looking forward, one of our overarching themes for the market in 2024 and 2025 was the prediction that the UK base rate would peak in 2024 and then fall from late 2024 onwards. With two interest rate cuts under our belts, this view still looked solid at the beginning of 2025. However the steady rise in the UK ten-year gilt yield since then has suggested that the bond markets are either less convinced that base rates will fall than we are, or that they are taking an activist view on the viability of the new government’s fiscal policy.

Meanwhile, the main news story is that the stock market sell-off has marked 2025 as one of the most arduous starts to a calendar year in recent history. The main stock markets in Germany and the UK at the time of writing were still in positive territory year-to-date but have since entered negative territory yesterday. Initially Sterling strengthened against the dollar and the euro, amidst the escalating US tariff tension.

William Gray
The RIO Club