

Progressive Property & Construction Daily



9 May 2022: SHB, CAPC, RMV, SUR

A round-up of market statements, news, economics and views from the property and construction sectors

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Company news

Capital & Counties Properties (CAPC, 165p, £1,387m mkt cap)

“Capco”, owner of Covent Garden retail property portfolio and holds a c. 25% stake in **Shaftesbury** (SHB, 577, £2,192m). Possible all-share merger with Shaftesbury. The two Boards note the recent press comment and confirm that they are in advanced discussions regarding a possible all-share merger of the two companies. Under the proposed terms of the possible merger, it is envisaged that Shaftesbury shareholders, excluding the Shaftesbury shareholding owned by Capco, will own 53% of the combined company, and Capco shareholders will own 47% of the combined company. The ownership ratios have been agreed between the Boards of Shaftesbury and Capco taking into account the relative net tangible assets and market capitalisations of both companies. Capco currently owns c. 97 million shares in Shaftesbury, representing approximately 25.2% of the existing share capital of Shaftesbury, including c.38 million currently held as security for Capco's exchangeable bond. The exchange ratio will not be impacted by the Shaftesbury shares held as security. The possible merger would create a REIT focused on the West End of London with a portfolio of c.2.9 million sq ft of lettable space located in high-profile destinations including Covent Garden, Carnaby, Chinatown and Soho. This would comprise c.1.8 million sq ft of retail and hospitality space, together with office and residential accommodation of c.1.1 million sq ft. The merged company would be led by Capco CEO Ian Hawksworth and chaired by Jonathan Nicholls, chair of Shaftesbury.

Sureserve Group (SUR, 87p, £144m) – *PERL provides research services to Shore Capital on this stock*

Social housing energy services group. Contract extension. Wholly owned subsidiary K&T Heating Services has successfully retained a long-term gas servicing, repair and installation contract with major housing association L&Q. The Contract term is capped at eight years, commencing on 1 May and is expected to generate sales revenue of £68m in total. L&Q is one of the UK's largest registered provider of social housing, which owns and manages more than 95,000 homes across London and South- East. Sureserve has partnered L&Q since 2013.

Rightmove (RMV, 559p, £4,463m)

UK's leading residential property portal. Directorate change. Peter Brooks-Johnson has made the decision to step down as CEO and leave the company in the coming year. He will continue in the role through to the announcement of the full year results in February 2023, and will assist with the recruitment of his replacement and a smooth and orderly handover during that period. The Board will now commence a comprehensive process to identify Peter's successor. The Company "continues to make good progress with the implementation of its strategy and trading in the year to date has been as expected. The Board's expectations for the full year remain unchanged". He commented: "With Rightmove progressing well on its mission to make home moving easier and our strong trading from 2021 continuing into 2022, I have decided it is an appropriate time to seek a new challenge. I continue to be hugely enthusiastic about the Company and the opportunities we see ahead".

Prices are as at the previous day's close.

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