

Progressive Property & Construction Daily



16 May 2022: HOME, SRE | Residential investment set for record year - Knight Frank | Fortnight ahead

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

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Company news

Homeserve (HSV, 122p, £685m mkt cap)

International home repairs and improvements provider. Placing. Subsequent Placing of 130.4 million new Ordinary Shares (23.1% of previous 562.1 million) to raise c. £150m at a price of 115p per share, a discount of 5.7%. Net proceeds will be used to acquire further homes; the company is in advanced legal negotiations are underway on a c. £300m pipeline of such investment opportunities, with an average net acquisition yield of 5.84%. The current portfolio was valued at 28 February at £713m, providing 8,556 beds to homeless people, working with 118 local authorities, delivering a 17% EPRA Net Tangible Assets / NAV total return since launch in October 2020.

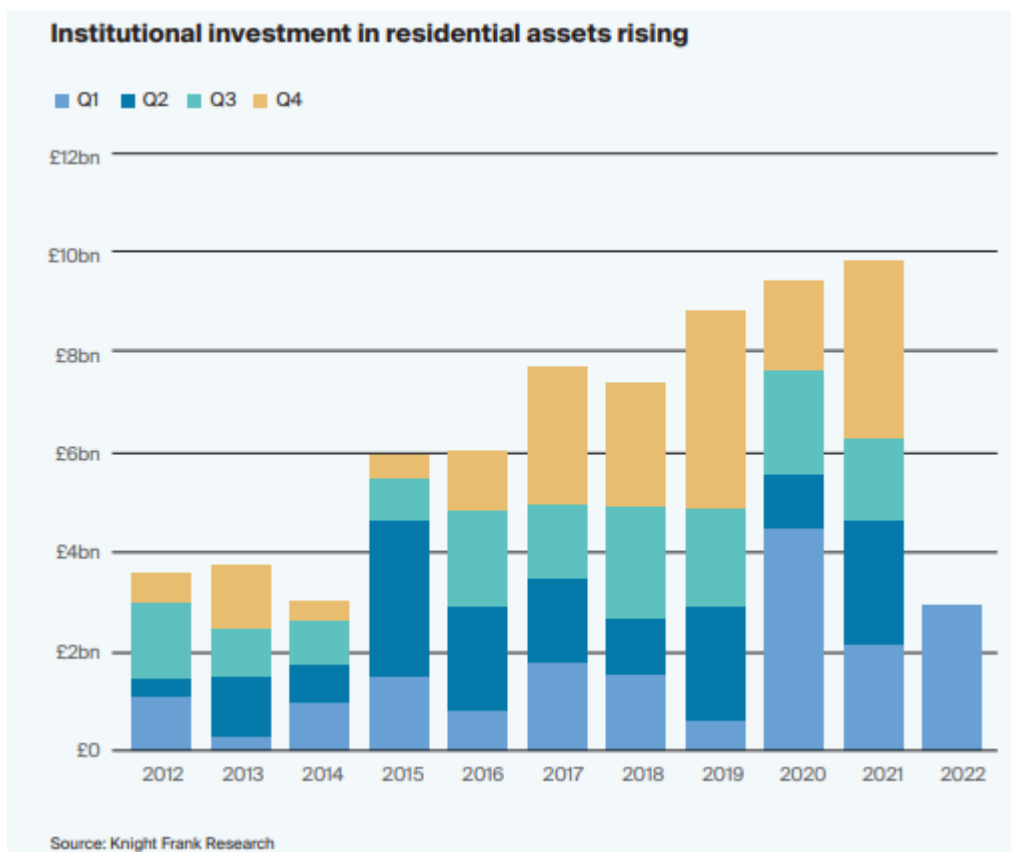
Sirius Real Estate (SRE, 114p, £1,336m)

Leading operator of business parks in Germany. Sale agreed of an asset in Camberwell, London, for £16m representing a NIY of c. 2.0%. The asset formed part of the portfolio Sirius acquired in November 2021 with its purchase of BizSpace, a provider of regional light industrial, workshop, studio and out of town office units across the UK. The sale price represents a 94% premium to the valuation at the time of Sirius' acquisition of

BizSpace. The multi-tenanted business park, which comprises approx. 34,700 sq. ft. of industrial and office space, is 91% occupied following a series of asset management measures delivered through the BizSpace platform. The sale is expected to complete in July.

Economic data

Residential property investment. Investment in the residential market is forecast to hit a record £16.5bn in 2022, as capital flows into the build-to-rent (BTR), student property and senior housing sectors have remained resilient through the pandemic, according to Knight Frank ([link](#)). The property agency’s annual survey of 54 global institutional investors, found that an additional £75bn has been earmarked for deployment over the next five years. Over 80% of survey respondents, which represent £76bn of capital committed to the sector, said they expected to ‘significantly increase’ their exposure to purpose-built student accommodation (PBSA), BTR and senior housing over the next five years. Residential assets, encompassing student housing, co-living, multifamily, single-family rental and seniors housing, accounted for 15% of all institutional UK real estate spend last year and 22% in 2020, only behind offices and a resurgent logistics sector. Ten years ago, residential accounted for just 8% of all acquisition activity, according to KF. Of the international funds invested into the UK in 2021, 77% originated in N America, followed by 11% from Europe and 9%, Asia Pacific. Looking to 2026, 84.6% of respondents predicted they would be active in BTR, 63.5% in student and 67.3%, senior housing (up from 80.8%, 61.5% and 30.8% respectively in 2022 - representing an especially big rise in seniors).



Fortnight ahead

Construction & property: company and economic news

May

17	Watkin Jones Group (WJG)	HY results
	Sureserve Group (SUR)	HY results
	Land Securities Group (LAND)	FY results
	Renew Holdings (RNWH)	HY results
18	Keller Group (KLR)	AGM
	ONS	House prices
19	The Property Franchise Grp (TPFG)	AGM
23	Empiric Student Properties (ESP)	AGM
24	Forterra (FORT)	AGM
	Speedy Hire (SDY)	FY results
	Lords Group Trading (LORD)	FY results
	Helical (HLCL)	FY results
	Big Yellow Group (BYG)	FY results
25	Taylor Wimpey (TW.)	Capital mkts day
	Hercules Site Services (HERC)	AGM
26	Henry Boot (BOOT)	AGM

Sources: Companies, Factset, Progressive Equity Research

Prices are as at the previous day's close.

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