

Progressive Property & Construction Daily



21 June 2022: VANL, HSS, SAFE | Housing transactions steady in May

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

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Company news

Van Elle (VANL, 39p, £41m mkt cap)

Specialist ground engineering contractor. Contract. Entry into piling framework for the West of Leeds section of the Transpennine Route Upgrade, a multi-billion-pound investment programme to deliver reliability, capacity and journey time improvements between Manchester and York via Huddersfield and Leeds and is a key commitment in the government's £96bn Integrated Rail Plan. The alliance comprises Network Rail, Arup, Amey OWR, BAM and Siemens. TRU West will undertake the electrification and re-signalling of the 42 miles of railway connecting Manchester and Leeds via Huddersfield, and will be working on over a dozen stations along the route.

HSS Hire Group (HSS, 15p, £106m)

Anglo-Irish tool and equipment hire group. Trading update. *Guidance:* "Building on the strong start to the year, our technology-led capital-light operating model continues to drive growth with Q2 2022 revenue to date 10% above 2021 levels. The Group continues to manage the ongoing macroeconomic challenges effectively and adjusted EBITA for the full year is expected to be in line with market expectations. While we continue to be

mindful of the ongoing macroeconomic risks, the impact on our business is being well managed". HY results, September.

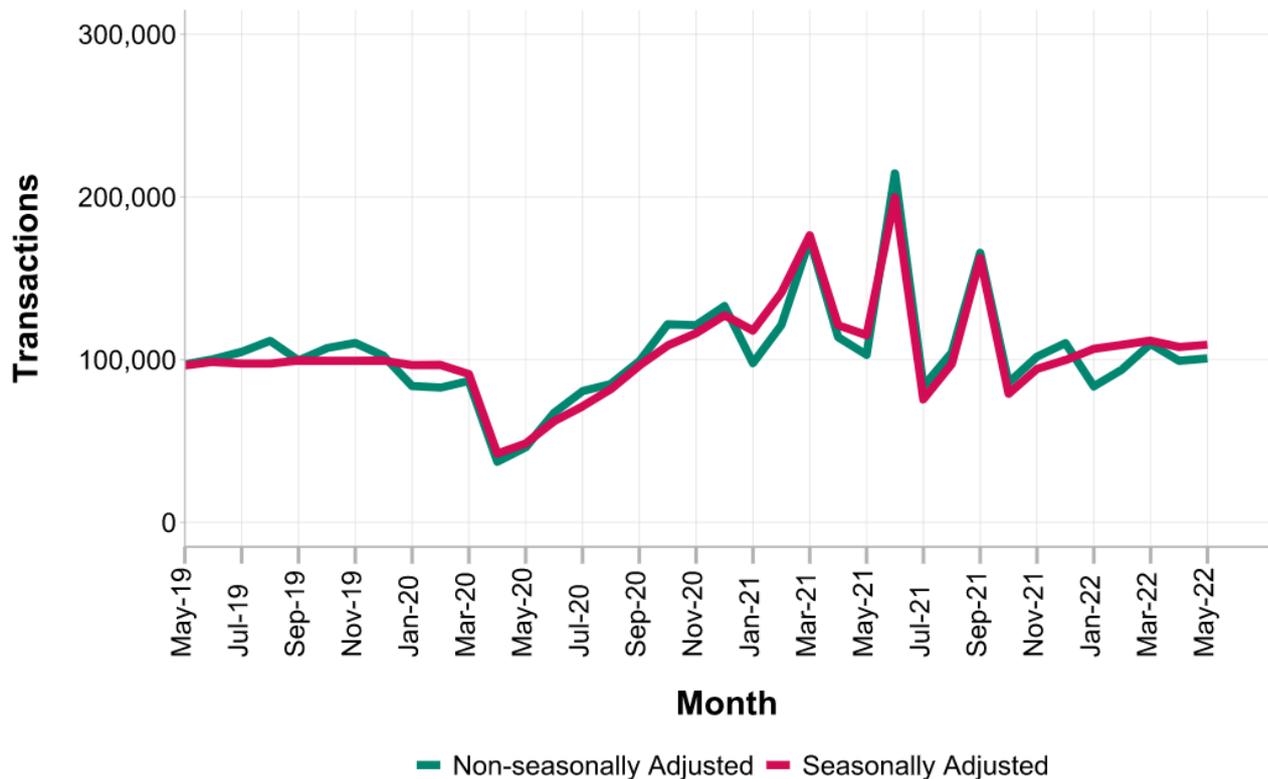
Safestore Holdings (SAFE, 1,042p, £m)

UK-focused self-storage group, with stores in Paris, Barcelona and Netherlands. HY (Apr) results. Rev +16%, £101m; u-lying PBT +22%, £51.8m; stat PBT +71%, £285m; u-lying EPRA EPS +24%, 22.5p; interim div +25%, 9.4p; NAV +35%, 742p; net debt, post IFRS16, £660m (Oct 21, £524m), principally due to increased funding required for the acquisition of the remaining 80% owned by Carlyle Europe Realty in JV formed in 2019.

Trading: Closing occupancy, 82.3% (HY 21, 81.9%); ave storage rate psf +12%, £26.69. *Outlook:* "Trading in the third quarter to date, driven by average rates, has continued to be strong. Group like-for-like sales for the month of May were up 10% on May 2021, which was slightly ahead of our Board's expectations. We believe the Group, whilst not entirely immune from any cost of living or inflationary issues, is strongly positioned to withstand any downturn. At present, earnings for the full year is anticipated to be at least 47p, slightly ahead of the current consensus forecasts of adjusted diluted EPRA EPS for [FY22] of 45.9p".

Economic data

Housing. Provisional UK residential transactions completed in May fell 2.0% Y/Y to 100,870, according to data from the HMRC ([link](#)). The seasonally adjusted rate rose by 1.3% M/M compared with April 2022. **Viewpoint:** Comparisons with May 2021 are likely to be distorted as this was approaching the June 2021 end of the full Stamp Duty holiday period, when buyers were rushing to complete transactions. However, the 100,870 was the second highest non-seasonally adjusted May level since 103,110 in 2014. The seasonally adjusted trend (below), appears to have stabilised having dropped and then rebounded after the final end of the holiday in September 2021.



Prices are as at the previous day's close.

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