

# Progressive Property & Construction Daily



22 June 2022: SPR, BKG

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

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## Company research

**Springfield Properties** (SPR, 118p, £139m mkt cap) – *SPR is a client of PERL*

Scotland's only quoted housebuilder. Acquisition of the housebuilding business of Mactaggart & Mickel Group, which specialises in premium priced, larger homes around Glasgow and Edinburgh. Link to Progressive Equity Research note, [Forecasts up after 'pay-as-you-go' acquisition](#).

*We have raised our FY2023E and FY2024E PBT estimates for Scotland's only quoted housebuilder by 5% and 10%, respectively, following its £46m acquisition of the housebuilding business of Mactaggart & Mickel Group. The deal is structured with payments phased over five years in line with homes sold, so we are not changing our net debt estimates. Springfield also reiterated guidance for FY2022E, with improved net debt.*

## Company news

**The Berkeley Group Holdings** (BKG, 3,792p, £4,223m)

London-focused residential developer and urban regeneration group. FY (Apr) results. Rev +6.6%, £2,348m; PBT +6.4%, £552m; EPS +23%, 418p; capital return of £451m (FY 21, £0m) and dividends paid, £0m (£146m); net assets £3,136m (£3,175m); net cash, £269m (£1,128m). Cash due on forward sales up to £2.2bn (£1.7bn). *Trading:* "As anticipated, London's status as a global city has not diminished and people are returning to urban living and businesses to office working. Demand is robust across domestic and international customers, with the opening of the Elizabeth Line reinforcing confidence and directly benefiting a number of Berkeley sites across London and the Thames Valley. Pricing has been firm and Berkeley has sold above its business plan level throughout the year, absorbing input cost increases". *Outlook:* A stable start to the current year with enquiries, visitor numbers and reservations in line with the end of 2021/22. The value of underlying reservations +25% Y/Y and slightly ahead of pre-pandemic levels. "Notwithstanding the current volatility and cyclical nature of the housing market, Berkeley is in a great position to deliver on its ambitions and those of our stakeholders and wider society".

*Prices are as at the previous day's close.*

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