

Progressive Property & Construction Daily



17 January 2023: CRST, INL

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

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Company news

Crest Nicholson Holdings (CRST, 266p, £682m)

South East focused mixed tenure housebuilder. FY (Oct) results. Completions +14%, 2,734; rev +16%, £914m; adj op margin, 15.4% (FY 21, 14.6%); adj PBT +29%, £138m (“in line with our guidance upgraded at the half year”); stat PBT -62%, £33m; fire safety exceptionals, £105m (£20m); adj EPS +25%, 42.5p; div +25%, 17.0p; TNAV £854m (£873m); net cash, £277m (£253m). *Trading:* sales per site per week, 0.60 (0.80), since 1 Nov, 0.35. “Operational disruption to the supply chain and labour availability issues delayed handover of properties in one division during the year. The Group expects its 2022 customer satisfaction rating to be marginally below the threshold for five-star. A Five-star action plan is being implemented for 2023 including the recruitment of customer relationship managers for each division”. *Outlook:* “As we start 2023, there are signs of the resilience that has characterised the housing market through recent years. The cost of borrowing is starting to reduce and availability remains good for those with higher levels of equity. Demand for new homes is still strong as evidenced by our sales indicators and web traffic. Finally, inflation is forecast to have peaked and it is hoped will start to recede during 2023. Our strong balance sheet equips us to navigate most economic scenarios. We also want to remain active in the land market, recognising the competition for new sites, and ensuring we emerge from any downturn in market conditions in the strongest possible condition. Our strategy to grow Crest Nicholson into new geographies remains undiminished. We will remain disciplined and selective in the way we allocate capital and will look to accelerate our growth plans when calmer market conditions return”. **Viewpoint:** The analyst conference call was marked by a somewhat more upbeat tone on current

market conditions and land spending ambitions (admittedly down on previously) than peers' recent sessions. A recovery in activity has "probably been slightly better and earlier than expected" and "pricing has been holding up". The group has additional issues to work through including its existing recovery and growth strategy and, now, reinstating its Five star rating. Vistry tomorrow should round-up the latest slew of results and trading statement.

Inland Homes (INL, 18p, £41m)

Leading brownfield developer, housebuilders and partnership housing group, focused on South and South East. Directorate change (from yesterday). "Recently appointed [6 December 2022] Chief Executive Officer, Donagh O'Sullivan has resigned from the Group with immediate effect by mutual agreement. Accordingly, he has stepped down from the Board". The shares fell by 16% following the announcement.

Prices are as at the previous day's close.

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