

Progressive Property & Construction Daily



23 January 2023: BBY, SHED | Architects less pessimistic on outlook | Fortnight ahead

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

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Company news

Balfour Beatty (BBY, 360p, £2,104m mkt cap)

UK, US and Hong Kong construction and infrastructure group. Contract. Awarded £1.2 bn contract by National Highways to deliver the 'Roads North of the Thames' package of works for the proposed Lower Thames Crossing. The crossing will create a new connection under the Thames to increase capacity and ease congestion in the South of England. Balfour Beatty will be responsible for the design and delivery of over 10 miles of new highways, connecting the M25 at Junction 29 and the A13 with the Lower Thames Crossing tunnel at Tilbury, Essex. In addition, it will deliver 49 structures including bridges and major viaducts, utilising modular construction techniques to build the structures offsite in a controlled factory environment, significantly reducing carbon emissions by minimising the number of lorry movements and material deliveries to and from site. This approach will support Balfour Beatty's commitment to going Beyond Net Zero Carbon by 2040, as well as National Highways' low carbon targets for the project.

Urban Logistics REIT (SHED, 140p, £661m)

Specialist UK 'last mile' logistics real estate investment trust. Acquisitions and lettings update. Five assets acquired for a total consideration of £48m at a net initial yield of 6.0%, plus two new lettings completed, generating additional rental income of £0.2m, and two lease restructurings. Four of the five acquisitions

related to the Columbia Threadneedle Street Portfolio, in the Midlands and Southampton and a further one in Thatcham. All are immediately income producing, with short or medium term asset management opportunities combined with currently low rents. Urban Logistics has also reached practical completion on five units of its forward funded developments adding 239,235 sq ft to the portfolio. Three of the five units are under offer, one was pre-let and marketing is ongoing for the final unit. Separately, the Company has also been reviewed by MSCI's ESG team, and has received a rating of 'A' (up from 'CCC').

Economic data

Architectural workload. Fewer architects expect workloads to decline, partially reversing a negative trend over the past five months, according to the latest RIBA Future Trends ([link](#)). The survey by the main architects' organisation found that in December 17% of practices expect workloads to increase while 25% expect them to decrease. While still negative, the RIBA Future Trends Workload Index of -8 compares with -21 in November. The private housing sector (-11) rallied by 14 points, and the commercial (-4) and community (-4) sectors also saw a boost. The public sector (-10) outlook remains the same.

Fortnight ahead

Construction & property: company and economic news

Another batch of housebuilders' trading statements due next week, but the main indicators for the housing market should be the inflation data on Wednesday and employment the previous day..

January

16	Hercules Site Services (HERC)	FY results
	Rightmove	House prices
17	Crest Nicholson Holdings (CRST)	FY results
	ONS	Employment Data
18	Vistry Group (VTY)	Trading update
	Galliford Try Holdings (GFRD)	Trading update
	ONS	House prices
	ONS	Inflation data
19	RICS	Residential Mkt Survey
24	Sureserve Group (SUR)	FY results

Henry Boot (BOOT)	Trading update
25 Watkin Jones Group (WJG)	FY results
Van Elle	HY results
Lords Group Trading (LORD)	Trading update
30 Nationwide	House prices
31 Bank of England	Mortgage approvals
February	
2 Bank of England	Official Bank Rate

Sources: Public announcements, Factset, ShareCast.com, Progressive Equity Research

Prices are as at the previous day's close.

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