

Progressive Property & Construction Daily



31 March 2023: INL | Economic data – House price falls continue, Nationwide | News – Signs of materials prices falling | Fortnight ahead

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

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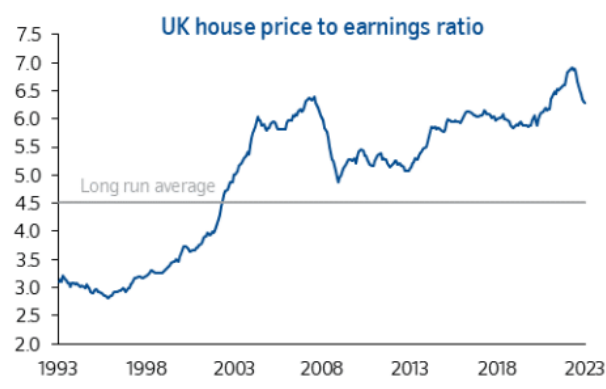
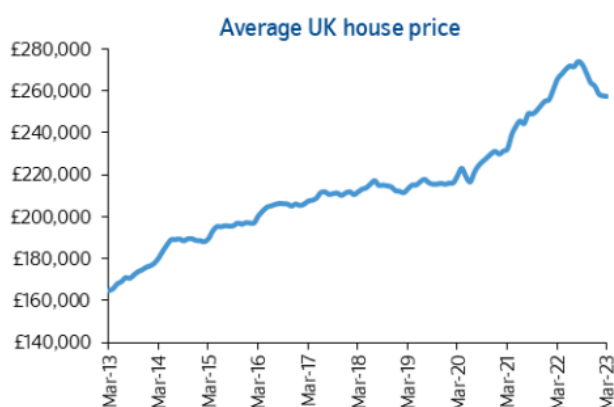
Company news

Inland Homes (INL, 6.8p, £15m)

Leading brownfield developer, housebuilders and partnership housing group, focused on South and South East. Result of Direct Subscription. The offer announced on 29 March raised £2.5m with the issue of 25 million new Ordinary Shares [previous shares in issue c. 224 million] at a price per Subscription Share of 10p, being the nominal value of the Company's ordinary shares. The entire 25 million shares were acquired by Stephen Wicks, a founder of the Company, former CEO and major shareholder [c. 8.1% previously]. The net proceeds of the Subscription will be used to fund working capital requirements within the Company. According to the 23 March update, trading in the Company's shares will be suspended at 07:30 on 3 April 2023, as a result of the Company not being in a position to publish its audited results before the 31 March 2023 deadline stipulated in the AIM Rules. The Company intends to request a restoration of trading in its shares on publication of its FY 22 audited results.

Economic data

House prices fell for the seventh consecutive month in March, declining by 0.8% to £257k (below, left), following 0.5% in February and bringing the Y/Y rate to -3.1%, from February's -1.1%, according to the latest House Price Index from the Nationwide ([link](#)). This brings the cumulative fall since August to -6.1%. House price growth slowed in all regions and the building society's verdict is "it will be hard for the market to regain much momentum in the near term since consumer confidence remains weak and household budgets remain under pressure". However, the report points to less stretched affordability (below, right), February's unexpected bounce in BoE mortgage approvals data and reductions in five-year fixed mortgage rates.



Source: Nationwide, ONS

In other news ...

Material costs. Steel prices are beginning to fall back strongly after suffering the fastest inflation of all construction materials in the past two years, according to a leading cost consultant ConstructionEnquirer.com ([link](#)). Latest data collected by Gardiner & Theobald shows structural steel has fallen to around £1,000 per tonne in January, 31% down from last Spring's peak price of £1,450 per tonne. Likewise in the structural concrete sector, rebar prices are also recording sustained falls, down 16% from a peak of £1,170 to £980 per tonne at the start of the year. G&T said there were now strong signs that the construction market was stabilising with material prices softening. But Michael Urie, senior market analyst, warned that one sector for clients and contractors to watch over the next few months was concrete prices: "While steel prices have fallen, concrete and cement prices continued to rise partly because the material has a localised supply chain."

Fortnight ahead

Construction & property: company and economic news

April

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|---|----------------------------|--------------|
| 5 | Lords Group Trading (LORD) | FY results |
| 6 | Halifax | House prices |

	S&P Global	Construction PMI
5	Lords Group Trading (LORD)	FY results
6	Halifax	House prices
	S&P Global	Construction PMI
13	LSL Property Services (LSL)	FY results
	RICS	Residential Market Survey
	ONS	Construction output
	ONS	GDP

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

Prices are as at the previous day's close. Where quoted, net debt is pre-IFRS16 (excluding leases) unless otherwise stated.

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