

Progressive Property & Construction Daily



16 October 2023: SPR | Economic data – Rightmove cautions home sellers against unrealistic price expectations

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

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Company news

Springfield Properties (SPR, 52p, £62m mkt cap) – *SPR is a client of PERL*

Scotland's only quoted housebuilder. Sale of land. The group has signed a binding agreement for the sale of approximately 9.5 acres of land for £5.2m. The land, which equates to 92 plots, is fully owned by Springfield. It will receive £0.5m in the coming days, when the agreement will become unconditional, with the remaining £4.7m paid on completion, which is expected to occur in March 2024. Innes Smith, CEO, said: "This profitable land sale will help us to reduce our debt position, which, as we said at the time of our results, is very much our focus. With our large land bank with planning in place, we have the ability to generate cash from the sale of land without any impact on our development pipeline for the coming years. We continue to be in discussions with other housebuilders and affordable housing providers about a number of our sites, which we hope to complete in the near term. We believe there will be significant pent-up demand coming through in the land market and we are excellently-positioned to benefit from this".

Economic data

House prices. Rightmove's monthly [House Price Index](#) shows that average new asking prices from sellers have risen by 0.5% this month to £368,231, the smallest increase for October since 2008, and compared with a historic norm for the month of 1.4%. The UK's largest property portal reports that the number of sales agreed are 17% below this time last year. The proportion of homes that are finding a buyer has dropped from eight in every ten at the height of the post-pandemic boom to a rate now of six in ten. It advises: "Buyers are still active for the right property at the right price [but] sellers who are struggling to adjust their price expectations to match current activity levels are finding that their homes are being left on the shelf. Sellers need to capture attention with a competitive price from the first day of marketing, as starting too high and reducing later damages the chances of a sale". It points out that if a property receives its first buyer enquiry on the first day of marketing rather than after two weeks, then its data shows that it is 60% more likely to find a buyer. The average time to sell has risen from 37 days in September 2022 to 59 last month. However, average stock per agent have changed little over the same time span, from 50 days to 54.

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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