

Progressive Property & Construction Daily



1 November 2023: HERC, SPR, GEN | Economics – Surprise bounce in house prices, Nationwide; Housing transactions stay muted, HMRC | News – Builders turn their backs on the breakfast fry-up

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

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Company news

Hercules Site Services (HERC, 25p, £16m mkt cap)

Technology enabled labour supply company for the UK infrastructure sector. Increase in working capital facilities. The group has secured a new debt facility with IGF Business Credit to fund its continued growth and ongoing working capital needs. The three-year invoice discounting debt facility for up to £15m replaces an existing facility of £11m from a previous provider. The company believes that this increased funding capacity will provide the headroom required to support its working capital needs over the period of the facility and support continued growth. “This facility is reflective of the growth in demand across all business divisions: Labour Supply, Suction Excavator Services and Civil Projects, which are experiencing increased demand for its services driven by activity in the UK water treatment sector”.

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

Scotland’s only quoted housebuilder. Directorate change. Roger Eddie has retired from the Board with effect from 31 October 2023. As stated in the 2023 annual report he had notified the Board of his intention to retire as a Non-executive Director during the course of the current financial year, having joined the Board in 2008.

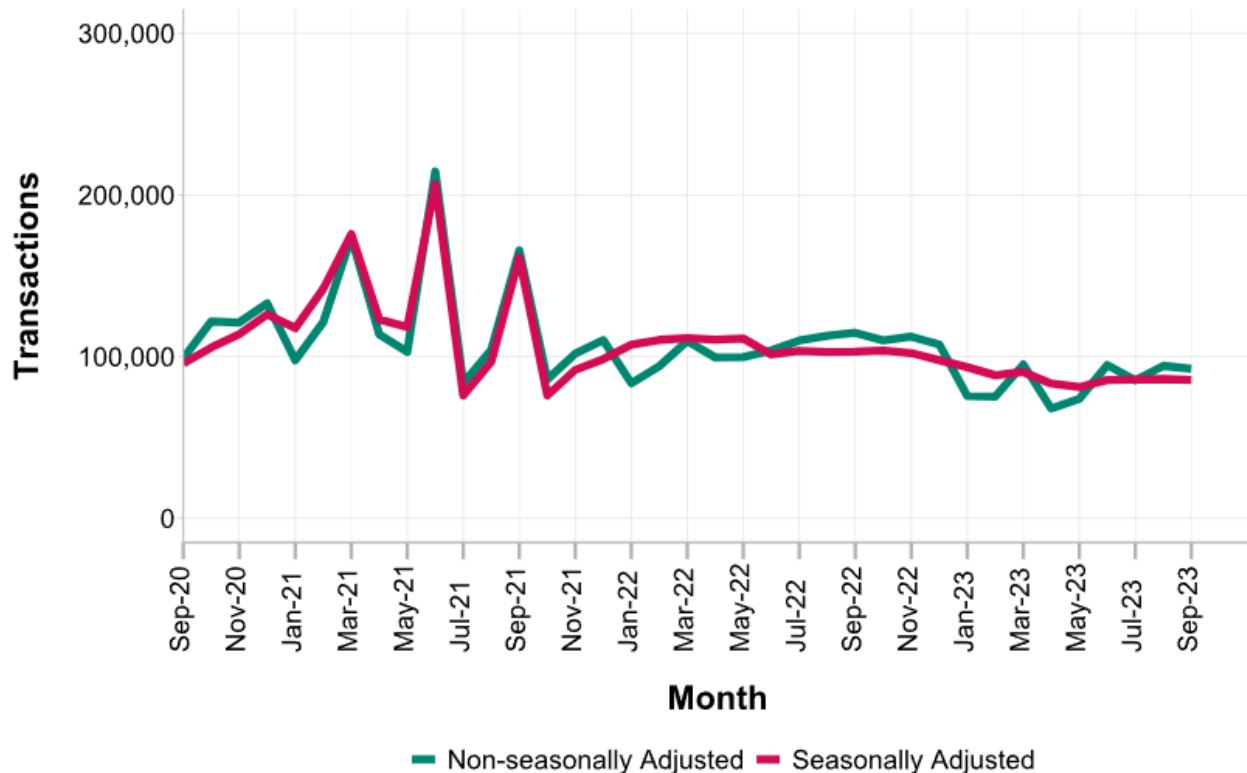
Genuit Group (GEN, 266p, £662m)

Manufacturer of sustainable water, climate and ventilation products for the built environment, formerly Polypipe. Board change. Tim Pullen, named as interim CFO on 1 September, has been appointed to the permanent role, with effect from today. He previously served as CFO of Aim-listed IQE, a manufacturer of advanced semiconductor materials from 2019 to 2023 and CFO of Arm from 2017 to 2019. His appointment follows the announcement made on 6 June that Paul James would step down as CFO to take up the same position with a privately owned company.

Economic data

House prices. Nationwide has reported a surprise 0.9% bounce in house prices in its [House Price Index](#) for October. This follows a seasonally-adjusted rise of 0.1% in September and reduces the Y/Y change from -5.3% to -3.3%. According to the lender, “The uptick in house prices in October most likely reflects the fact that the supply of properties on the market is constrained. There is little sign of forced selling, which would exert downward pressure on prices, as labour market conditions are solid and mortgage arrears are at historically low levels. Activity and house prices are likely to remain subdued in the coming quarters. Despite signs that cost-of-living pressures are easing, with the rate of inflation now running below the rate of average earnings growth, consumer confidence remains weak and surveyors continue to report subdued levels of new buyer enquiries”.

Housing activity. UK residential transactions fell by 19% Y/Y in September (non-seasonally adjusted) and by 1% M/M, on a seasonally adjusted basis, according to latest [ONS](#) data. Next release, 30 November (09:30).



In other news ...

Construction culture. Builders prefer poached eggs or porridge for breakfast, rather than the traditional fry-up, [ConstructionEnquirer.com](https://www.constructionenquirer.com). One of construction's biggest on-site caterers is set to soon sell more healthy breakfasts than traditional fry-ups. Research from construction catering specialist Bon Appetit, which feeds 30,000 workers a day, shows the proportion who choose a traditional breakfast has fallen from 81% to 56% over the last ten years. Almost half (44%) now opt for health-conscious menu items such as poached eggs or porridge oats or [heaven forbid!] a freshly prepared omelette with salad or scrambled eggs with smoked salmon.

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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