

Progressive Property & Construction Daily



22 April 2024: HLCL, LOK | Economics – House prices rise for fourth straight month as activity rebounds, Rightmove

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

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Company news

Helical (HLCL, 195p, £241m)

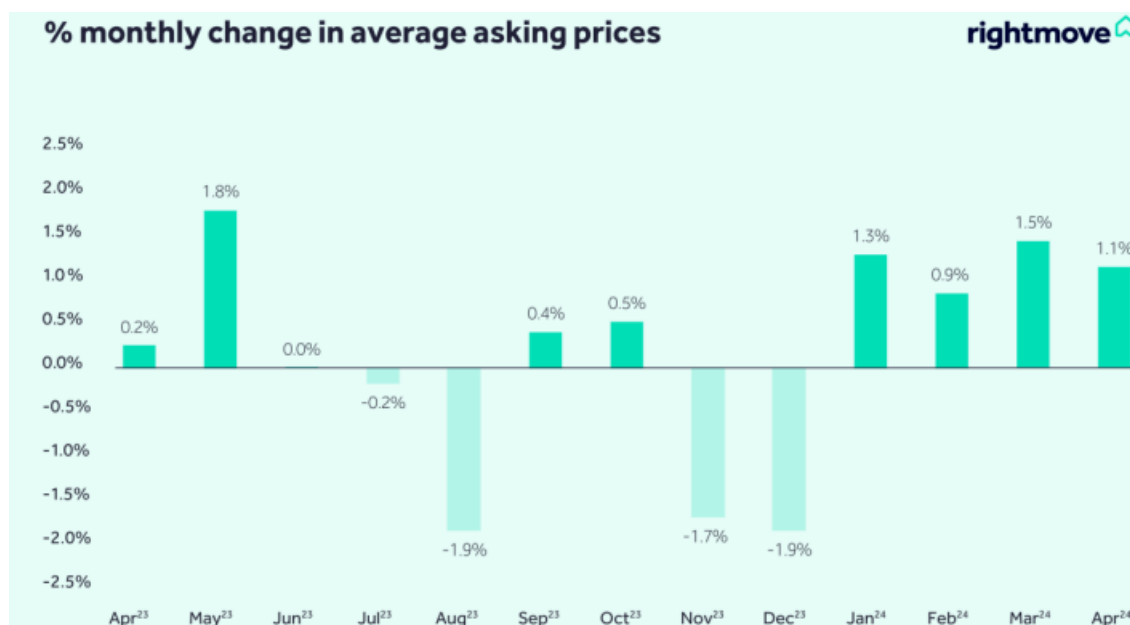
Commercial real estate investor, focused on London and Manchester offices. *Guidance:* ““We continue to build on the momentum since our last update in January with new leases signed at The JJ Mack Building and The Bower at values above 31 March 2023 ERVs, with further space under offer, while rent collection for the year remains robust at 99%. The sale of 25 Charterhouse Square, EC1, continues the recycling of equity from our investment portfolio. The proceeds will be used to reduce our borrowings in advance of us progressing our funding for the next stage of our development pipeline. The above activity, coupled with wider market data points, provides further encouragement that the prime London office letting market is trending positively. We are looking ahead to the rest of year with cautious optimism as we progress the delivery of best-in-class office space into what is becoming an increasingly undersupplied market”. At 31 March, the group had c. £24m of cash and £84m of undrawn loan facilities with an overall weighted average cost of debt of 2.9% (31 March 2023. 3.4%) and an average maturity of 2.1 years. FY results, 23 May.

Lok’n’Store Group (LOK, p, £m)

UK self-storage group, subject to recommended cash offer by Shurgard Self Storage. HY (Jan) results. Rev +4.3%. £14.2m (+2.6% LFL); PBT -8.3%, £4.3m; EPS -26%, 9.1p; interim div, 0p (5.0p); NAVPS, £9.87 (HY 23, £9.15); net debt, £28.8m (£26.5m); LTV, 8.3% (8.9%). *Trading:* Pricing +4.0%, £27.37 psf; occupied unit space -2.9%, 862,554 sq ft; same store EBITDA margin, 58.9% (60.3%). “Customer demand remains above levels seen pre-pandemic, although it has been lower compared to the same period 12 months ago. We have made progress on our new store pipeline with our new Landmark store in Basildon opened in December and Kettering opened in early February”. *Outlook:* Headline stores revenue in February and March 2024 +4.2Y/Y (13.7% at same period in 2023). “In the short term our focus is to drive the operating performance of all of our existing stores. We have opened stores in Basildon and Kettering and will be opening shortly in Staines and Bromborough. We expect to go on site at Cheshunt before the end of 2024. Since 31 January Lok’nStore has continued to observe positive but muted revenue growth”.

Economic data

Housing market. The average asking price of property coming to the market in April +1.1%, £372,324, just £570 short of the record in May 2023, while the annual rate of price growth is now +1.7%, the highest level for 12 months, according to [Rightmove](#). Number of sales being agreed +13% Y/Y; number of new sellers +12% compared to this time a year ago, “as both seller and buyer activity rebound from last year’s much more subdued spring”. The biggest growth in activity is taking place in the largest homes, top-of-the-ladder sector, with the number of new sellers +18% Y/Y, and the number of sales being agreed +20%.



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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