

# Progressive Property & Construction Daily



3 July 2020: LAND; Fortnight ahead

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

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## Company comments

### **Land Securities Group** (LAND, 575p, £4,263m mkt cap)

'Landsec', leading UK commercial property investment, development and management group. Update on June rent collection, balance sheet and dividend. £65m of the £109m of rent due on the June 'quarter day', 24 June, had been collected five days later, 60% of the total due. This compares with 65% of the £121m due five days after the 25 March collection date. In Offices, 81% of the £68m due for June collection had been received after five days, down from 86% at the same point following the March quarter date; Retail, 29% of £31m (March, 41%); Specialist, 10% of £10m (23%). Of the outstanding sums from March, 75% of the total has now been collected. The 86% rate for Offices has increased to 98%; there was no split for Retail and Specialist, but this implies that the combined collection, three months later, has moved up from 36% to 42%. In March, Landsec established a fund to provide up to £80m of rent relief and, to date, £9m of concessions has been allocated to customers, broadly in line with its expectations at this point. In addition, £4m of deferred payments have been agreed with retail and leisure customers. *Trading:* All office properties have remained open; following the easing of restrictions on non-essential retail in England, Scotland and Wales, all shopping centres, outlets and retail parks are open. As at 30 June, 79% of retail units were trading and 16 of 18 leisure parks were open. Accor managed hotels remain closed to the general public. Accor will phase the opening of the hotels over the next three months. In England, for the two-week period since non-essential retail opened on 15 June, footfall in Landsec centres was 60% of the level in the equivalent period last year and LFL store sales were at 80%. *Finances:* Net debt, 30 June, £3.9bn, unchanged on 31 March.

*Dividends:* The Board has reviewed its position and intends to reinstate payments following the interim results on 10 November. **Viewpoint:** A similar trend on rent collection to that outlined by British Land (BLND) on 1 July and, although worst for Retail and Specialist, today's statement does signal for the wider sector a concerning erosion in promptness of payments from office tenants. Expect tense rental renegotiations over the coming months.

## In other news ...

**Grosvenor**, the privately-owned property group of the Duke of Westminster, has lodged an outline planning application for a 2,200 home scheme in Oxfordshire. The Oxfordshire Garden Village, near Eynsham, is the largest single scheme proposed to date for the developer's Strategic Land division, which has said it aims to have a 30,000-strong portfolio of homes by 2023, Building ([link](#), [paywall](#)). The site will be one of 14 'garden villages' proposed by Theresa May's government in 2017.

**Tritax Symmetry** (part of Tritax Big Box REIT, BBOX) and **Land Trust** have revealed plans for a 1m sq ft logistics park and a 65-acre wildlife park at the former Cronton Colliery in Knowsley, Merseyside, Property Week ([link](#), [paywall](#)).

## Fortnight ahead

Two important releases on both the company and economic front next week. Barratt and Persimmon, the UK's number one and three by volume make trading statements. Will they follow the number two, Taylor Wimpey's, lead in signalling an equity raise-funded land buying drive? I wouldn't hold your breath. The RICS and Construction PMI surveys could give early indicators in the debate as to whether housing and construction is heading for a V, U, L, W etc shaped recovery.

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### Construction and property, company and economic news

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6 Jul	Markit/CIPS	UK Construction PMI
7 Jul	Lloyds Banking Group/HIS Markit	Halifax House Price Index
8 Jul	Barratt Developments (BDEV)	FY (Jun) trading update
9 Jul	Persimmon (PSN)	HY (Jun) trading update
	RICS	Residential Market Survey
14 Jul	ONS	Construction output

15 Jul	McCarthy & Stone (MCS)	HY (Apr) results
	Galliford Try Holdings (GFRD)	FY (Jun) trading update
	ONS	House prices
17 Jul	Homeserve (HSV)	AGM statement

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Source: Companies, Sharecast, Factset, Progressive Equity Research

*Prices are as at the previous day's close.*

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