

Progressive Property & Construction Daily



19 August 2020: SUR, PSN; House price inflation ticks up; RMI outlook improves

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

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Company comments

Sureserve Group (SUR, 42p, £67m) – *PERL provides research services to Shore Capital on this stock*

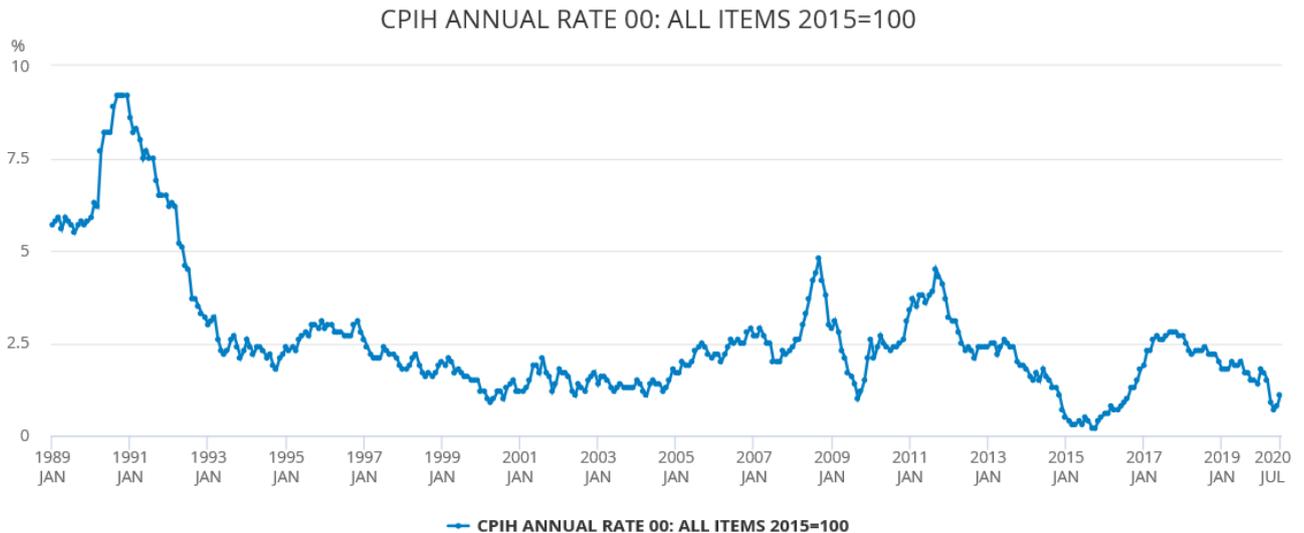
Gas and utilities safety compliance and energy efficiency provider, primarily to social housing. Trading update. Results for the year to September 2020 should be in line with management's expectations. All borrowings were paid off by the end of July. This has enabled the Board to consider a sustainable dividend policy, "which is more than adequately covered by significant earnings per share and regular recurring cash flows". Both divisions' bid teams have been increased "in anticipation of identifiable increased market opportunities". Since announcing interims on 27 May, the group has won 21 new contracts, with an annualised value of £16m, adding £40m to the order book.

Persimmon (PSN, 2,822p, £9,001m)

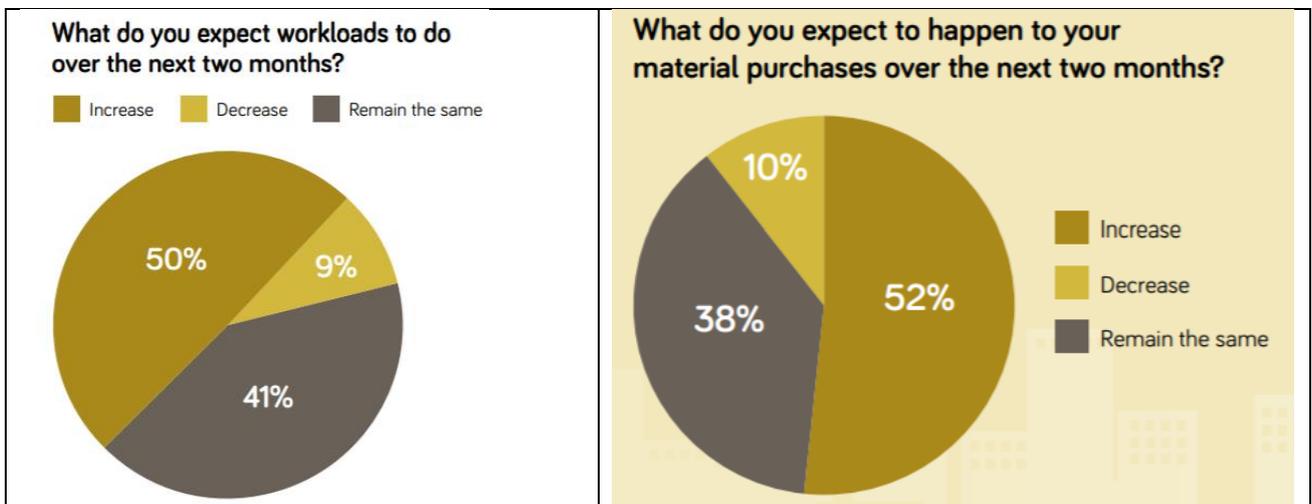
UK number three housebuilder by volume, top by market cap. Update on CEO appointment. Further to the announcement of 24 June confirming the appointment of Dean Finch as Group Chief Executive, current employer National Express Group has announced he will be leaving the business with effect from 31 August and Persimmon now expects that he will be able to take up his post earlier than originally envisaged and anticipates confirming his start date shortly.

Economic data

House prices. Annualised house price inflation rose to 1.1% in July, from post-Covid low of +0.7% in May and +0.8% in June, according to the ONS ([link](#)).



Repair, maintenance & Improvement. Half of all trades people expect workload to increase over the next two months and only 9% now expect a decline, according to a major survey of 1,300 specialists by leading builders merchant chain, Travis Perkins ([link](#)). On a statistically weighted basis, this represents a confidence balance of 52 – a better outcome than following the past two economic shocks, the financial crisis (-7) or the EU referendum (+45).



Prices are as at the previous day's close.

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