

Progressive Property & Construction Daily



21 September 2020: DRV; Surge in home sales leading to conveyancing ‘log-jams’; ‘Million and half homes unmortgageable’ post-Grenfell – Sunday Times; Fortnight ahead

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

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Company news

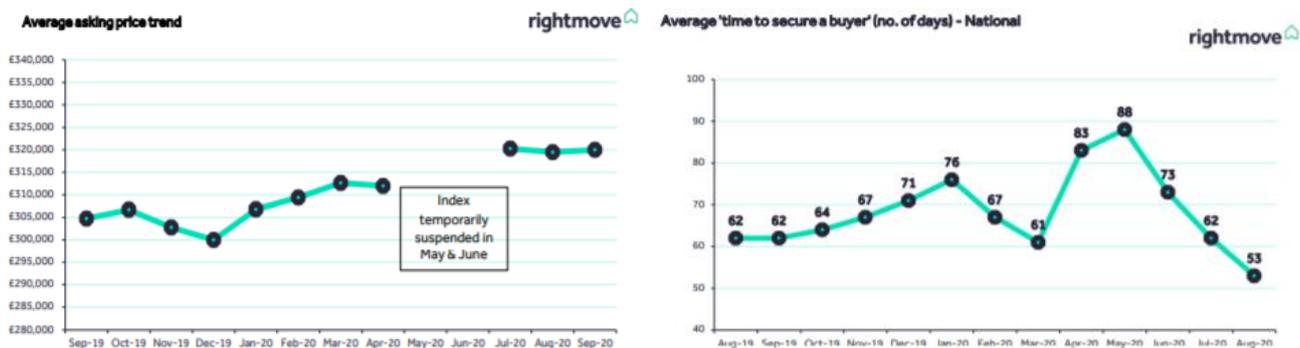
Driver Group (DRV, 51p, £27m)

Legal claims consultant to the global construction industry. Strategic partnership with leading African claims and dispute resolution consultancy, EVRA Consulting (PTY), headquartered in Johannesburg. Driver says the partnership combines the services and skills of the group’s specialist Diales expert witness business with EVRA’s relationships and network to serve potential clients across the African continent.

Economic data

House prices. Asking prices for homes coming onto market have risen by 0.2% to £320k during September, just £269 below the record set in July (below, left), with ‘second-stepper’ three- or four-bedroom homes

hitting a new record as more buyers seek larger homes, while the Midlands, North of England and Scotland all hit new highs, according to this morning's Rightmove House Price Index ([link](#)). The number of sales agreed compared to this time last year were 104% higher for the largest homes and 55% stronger for the second-stepper sector. The average time to secure a buyer fell to 53 days in August, 15% quicker Y/Y (below, right), and Rightmove estimates that there are nearly 40% more sales currently going through the buying and selling process compared to this time last year, leading to congestion of sales in progress.



Viewpoint: The 'congestion' reported by Rightmove chimes with anecdotal comment, with main 'pinch-point' apparently mainly resting with mortgage lenders – either in terms of finding valuers and the volume and pace of paperwork required – or solicitors, according to the agents' comments, referring to "log-jams", at the end of the report.

In other news ...

Cladding. Up to 1.5 million modern flats, 6% of England's homes, could be unmortgageable for up to a decade because their owners cannot prove their walls are safe in the aftermath of the Grenfell fire, according to The Sunday Times ([link](#), paywall). There are already 30,000 flats with the same type of cladding used in the 2017 blaze and another 186,000 private high-rise flats wrapped in other flammable materials which have registered with a £1bn Government fund to help freeholders reclad tall blocks in England. However, the ST reports that lenders now routinely demand evidence that almost any modern flat is safe, even in three-storey brick buildings. England has 1.5 million flats in blocks taller than three storeys. Owners could be refused a mortgage if the building lacks an external wall system, EWS1, form to say the insulation, balconies and structure are safe. Only 291 fire engineers are qualified to inspect buildings. The Peabody housing association has told some residents the task of checking the buildings could take 10 years.

Infrastructure. Network Rail has delayed tendering for the £900m Western Rail Link to Heathrow until Summer 2022 because of Covid-19, ConstructionEnquirer.com ([link](#)).

Fortnight ahead

Construction & property: company and economic news

22 Sep	Billington Holdings (BILN)	HY results
	Kingfisher (KGF)	HY results
23	Sigma Capital Group (SGM)	HY results
	First Property Group (FPO)	AGM
24	SIG (SHI)	HY results
28	Van Elle Holdings (VANL)	AGM
29	Ferguson (FERG)	FY results
	Brickability Group (BRCK)	AGM
	Bank of England	Mortgage approvals
30	Northbridge Ind. Services (NBI)	HY results
	Purplebricks Group (PURP)	AGM
	Marlowe (MRL)	AGM
	Nationwide	House prices
2 Oct	Abbey (ABBY)	AGM

Sources: Companies, Sharecast, Factset, Progressive Equity Research

Prices are as at the previous day's close.

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