

Progressive Property & Construction Daily



25 September 2020: HMSO, MRL | 'Shed and beds' make the running in global property investment | Re-training needed for Construction to mitigate job losses in 'unviable' sectors | Fortnight ahead

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

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Company news

Hammerson (HMSO, 17p, £636m mkt cap)

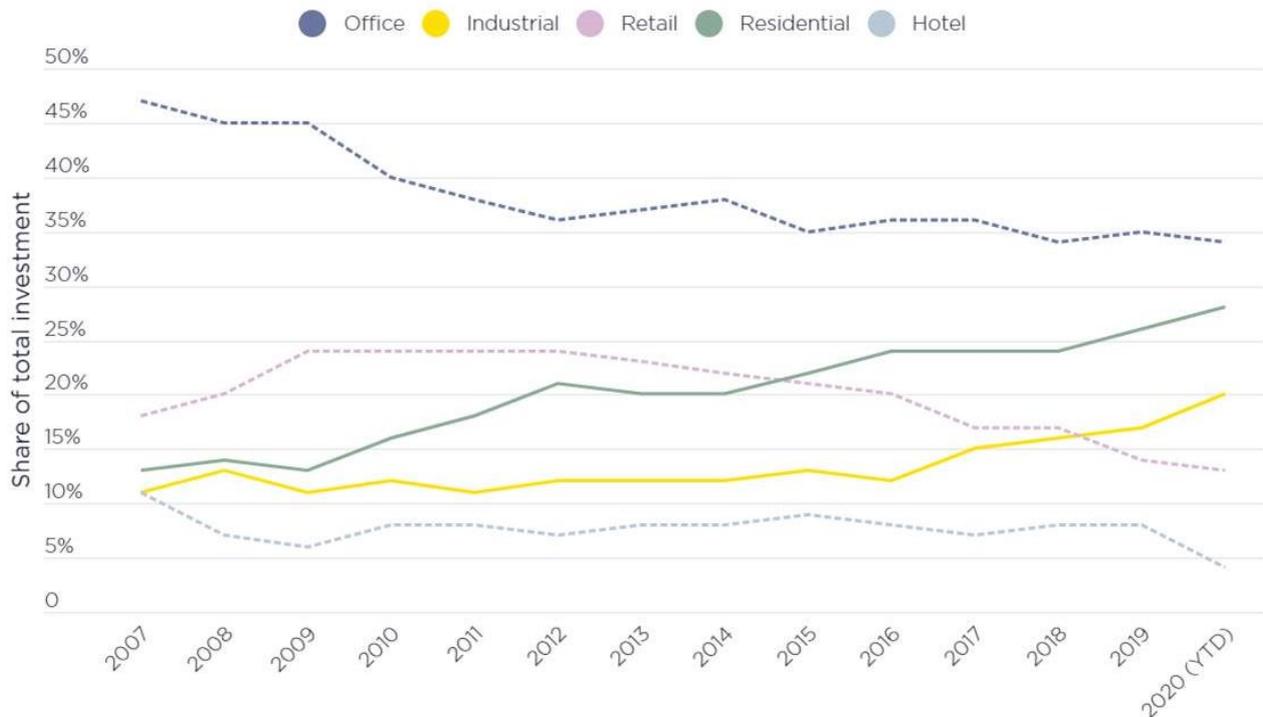
UK and European retail property group. Results of £552m rights issue. Acceptances received in respect of 3.5 billion new shares, 94.9% of the total number of New Shares offered. The joint global coordinators, JP Morgan Cazenove and Morgan Stanley, will endeavour to procure, by no later than 4.30 pm on 28 September 2020, acquirers for all of the remaining New Shares not accepted, failing which the Underwriters have agreed to acquire, any remaining underwritten New Shares.

Marlowe (MRL, 535p, £293m)

Safety and compliance provider to commercial properties. Acquisition of Morgan Fire Protection for a net consideration of £5.0m. Morgan Fire, based in Hertfordshire, provides a range of fire safety services predominantly to SMEs in and around London and southeast England. It employs 55 staff and adds further scale and capability to Marlowe's Fire division. The business generated revenues of £4.3m and adjusted EBITDA of £0.8m in the year to 31 March 2020. It had net assets of £1.3m as at 31 July 2020.

Economic data

Property investment. “Sheds and Beds” – Savills Research’s term – continue to make the running in property investment flows worldwide, with Industrial and Residential asset classes growing at the expense of the traditional stalwarts of Offices and Retail, according to the global agent’s latest market trends briefing ([link](#)). The Impacts briefing, which focuses on the Industrial & Logistics sector, describes Industrial as the star performer of the cycle, with investment volumes rising more than sixfold from a 2009 low, with the share of total investment rising to 20%, with Residential also rising and threatening to surpass Office investment (see below). The rise in logistics demand, initially fuelled by the global e-commerce boom, has accelerated as consumers shifted further online during the pandemic.



Source: Savills Research using RCA

In other news ...

Winter Economy Plan - viewpoint: There was nothing specific for construction in Rishi Sunak’s jobs-support scheme for yesterday, summarised quite neatly in [constructionenquirer.com](#) ([link](#)) and widely through the

media. The headline feature was support for shorter working hours as a replacement for the far more expensive furlough scheme, which ceases at the end of October. Any furloughing within construction and housebuilding seems to have been minimal, in any case, and many quoted companies have reported a full or near-full return to work and, in some cases, have returned furloughing money. It also appears likely there will be little short-term working, with the sector, for now, recovering strongly – unlike, for instance, hospitality. However, the Chancellor was quite clear that he could not save all jobs, and there would be a shift in employment from unviable to viable sectors. Right now, construction and housebuilding seem to be at the top of the pecking order in terms of viability, given the PM’s “build, build, build” pledge. What wasn’t mentioned yesterday was training – the sector’s perennial Achilles Heel – but which will probably have to be done in epic scale, and quickly, to mitigate job losses as other industries fall by the wayside.

Fortnight ahead

Construction & property: company and economic news

28 Sep	Van Elle Holdings (VANL)	AGM
	Nationwide	House prices
29	Ferguson (FERG)	FY results
	Springfield Properties (SPR)	FY results
	Grainger (GRI)	Q3 results, capital mkts day
	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
6	Harworth Group (HWG)	HY results
	CIPS	Construction PMI
	ONS	House prices
	Halifax	House prices
8	RICS	Residential Market Survey
9	ONS	Construction output

Sources: Companies, Sharecast, Factset, Progressive Equity Research

Prices are as at the previous day's close.

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