

Progressive Property & Construction Daily



7 January 2020: CWD, MRL, TPK | UK construction continues to expand amid further fall in Eurozone | MPs plan leasehold reform

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

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Company news

Countrywide (CWD, 391p, £198m mkt cap)

Estate, lettings and property/financial services agents, subject to a recommended 395p offer from rival estate agent **Connells**. Update on shareholder support. Following its acquisition of Schroder Investment Management's entire 5.85% stake, Connells now owns or has received irrevocable support in respect of 52.30% of Countrywide's share capital.

Marlowe (MRL, 631p, £380m)

Safety and compliance provider to commercial properties. Acquisition of **WPL** Limited, a leading UK-wide provider of wastewater treatment and compliance services, for an enterprise value of £10.0m. For the year to 31 October 2020, Hampshire-based WPL generated revenues of £9.5m and PBT of £1.8m and had net assets of £4.5. The total consideration comprises a cash payment of £9.1m and the issue of 147,652 new ordinary shares in Marlowe. The Consideration Shares are subject to a two-year lock-in.

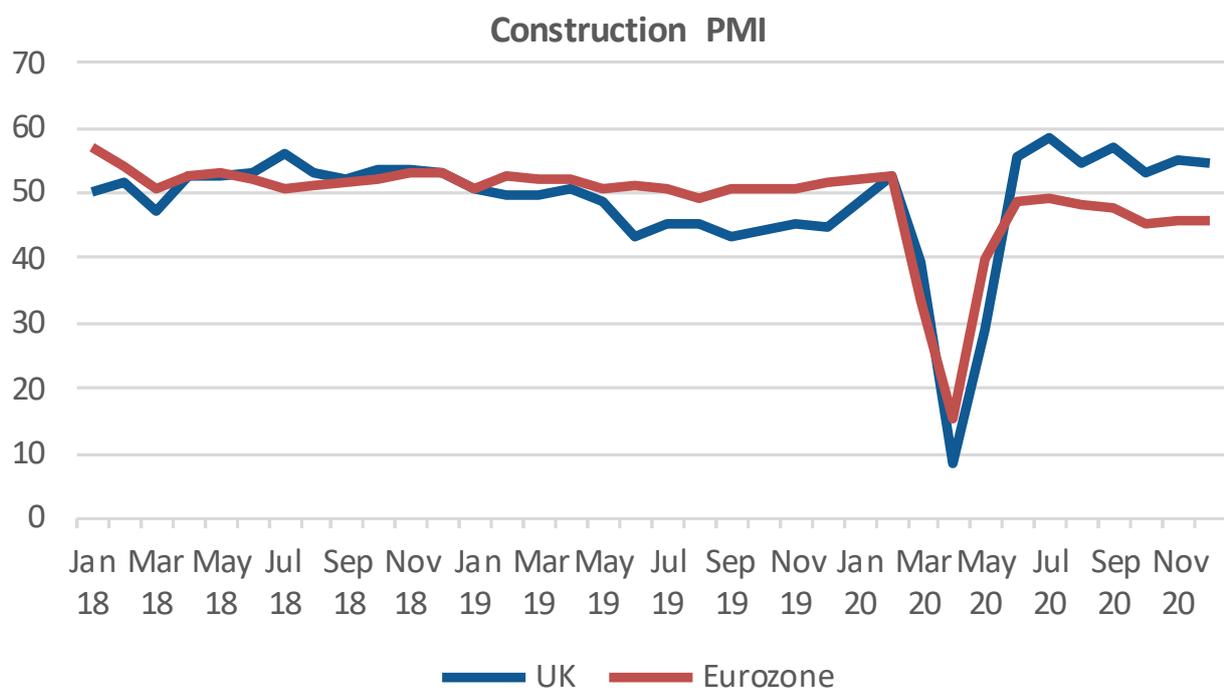
Travis Perkins (TPK, 1,433p, £3,613m)

(From yesterday.) Leading UK builders' merchant, owner of Wickes DIY chain, currently in demerger process. Board succession. Stuart Chambers will step down as non-executive Chairman on 31 March. He will be succeeded as Chair by Jasmine Whitbread, currently Chief Executive of London First, a role from which she will step down on 30 March.

Economic data

PMI. UK construction activity continued to grow in December, while the Eurozone shrank further, particularly in France, according to the latest batch of Purchasing Managers Index (PMI) data from HIS Markit. In the UK ([link](#)) the headline seasonally adjusted Construction Total Activity Index slipped to 54.6 in December from 54.7 in November, but remained above the 50.0 no-change threshold for the seventh consecutive month and implied further monthly growth, albeit at a slightly slower rate of change. Housing continued to be the fastest growing sector (61.9), while Commercial and Civil Engineering lagged at 51.2 and 48.0 respectively. Exactly half the survey panel forecast a rise in business activity over the course of 2021, while only 10% anticipate a decline, the strongest reading since April 2017.

Meanwhile, Eurozone construction slipped further into decline, to 45.5 in December from 45.6 in November ([link](#)). A return to growth among Italian builders (50.5 from 49.8) was more than offset by contractions in Germany (a flattening rate of decline, at 47.1 in December from the 45.6) and, especially, France (a steepening decline to 40.5 from 42.8), with the latter falling at the fastest pace since May.



Source: Markit Economics

In other news ...

Leasehold reform. Ministers have announced plans to prepare the housing market for a transition from leasehold to commonhold ownership in what would be a radical overhaul of the “feudal” property laws, The Times reports ([link](#), paywall). A working group will be set up to prepare the market for the transition after the Law Commission urged MPs in July to adopt a fairer system. A fifth of flats and houses are governed by medieval leasehold law that allows landlords or freeholders to grant the buyer the right to live in a property for 99 to 999 years. The changes would make it easier and cheaper for leaseholders to buy the freehold of their property and take control of the costs by giving them the right to extend the lease to a maximum of 990 at zero ground rent.

Correction: in Monday's Daily, Costain's YE 2019 net cash should have read £65m and not £65bn.

Prices are as at the previous day's close.

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