

Progressive Property & Construction Daily



1 September 2021: SFR, BOOT | Another month, another fall in brick stock levels

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

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Company research

Severfield (SFR, 81p, £250m) – *SFR is a client of PERL*

Britain's leading structural steel group, with sales to Europe and a rapidly growing Indian JV. AGM trading statement. Link to Progressive Equity Research note, [Record order book supports earnings outlook](#):

Britain's leading structural steel specialist has highlighted in today's AGM statement continuing positive trading in the first five months of FY2022E, in line with its expectations and we are maintaining all our estimates. Future prospects are supported by a new record high order book for the UK and Europe and an improving outlook for the Indian JV. The orders indicate healthy demand across a broad range of sectors including infrastructure and logistics, while the Group has announced a significant step toward Net Zero.

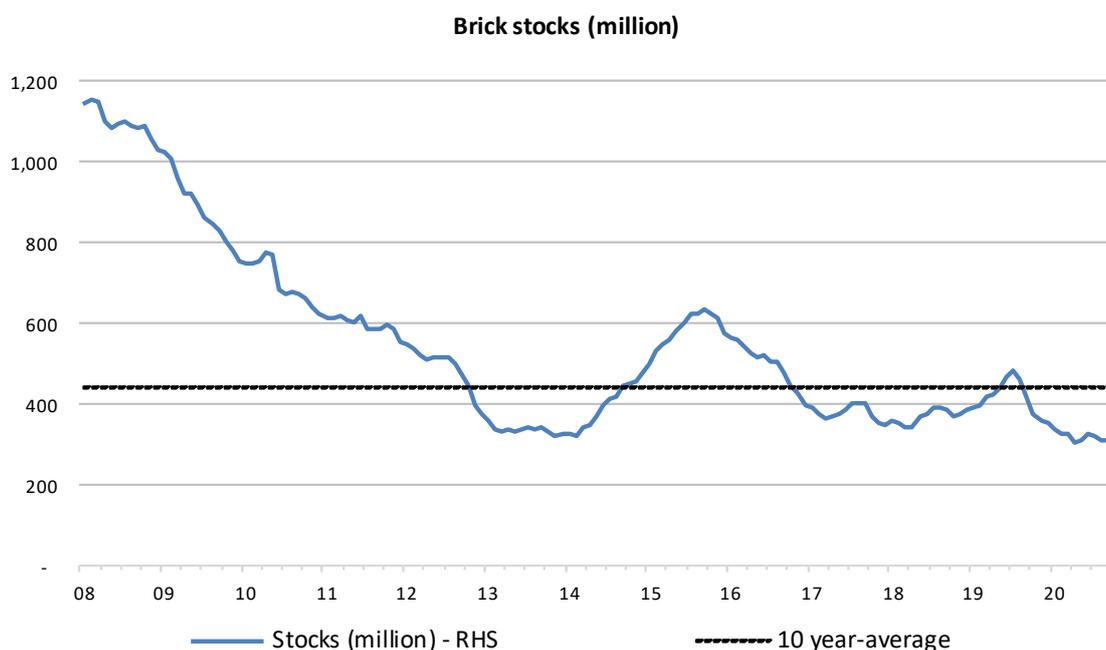
Company news

Henry Boot (BOOT, 275p, £367m)

Land Promotion, property investment & development and construction group. Forward-funding deal for Nottingham industrial scheme. Henry Boot's property development business, HBD, has secured a £53.8m deal with UK and European real estate investment management firm, to forward-fund a 426,464 sq ft logistics development in Nottingham. New Horizon is a 28 acre site, formerly home to Imperial Tobacco. It will involve the development of seven industrial units from 30,000 to 145,000 sq ft on a speculative basis. The scheme is targeting a BREEAM sustainability rating of 'Very Good' and, subject to planning, is set to complete in the first quarter of 2023. The deal is the latest in a succession for Henry Boot, including its £6.2m acquisition of a prominent site in Welwyn Garden City and a JV with Barings to deliver a £100m GDV logistics scheme in Rainham, Essex.

Economic data

Brick data. Industry-wide brick stock levels fell to a new 20+ year low of 273 million in July, down 6.0% on the July total of 290 million and -24% Y/Y. The latest figure is 44% below the post-lockdown high of 485 million in March 2020 and 35% below the 10-year average of 446 million (see below). From March to July brick deliveries have been 6.5% higher than production - which has been close to technical full output but, anecdotally, has been hampered by some enforced downtime for maintenance.



Source: BEIS

Prices are as at the previous day's close.

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