

Progressive Property & Construction Daily



12 October 2021: VTY, PRSR, OTMP | Construction vacancies soar to new record | World cement and concrete groups pledge faster route to zero carbon

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

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Company news

Vistry Group (VTY, 1,120p, £2,489m mkt cap)

Formed from the merger of Bovis Homes and housebuilding and partnerships divisions of **Galliford Try** (GFRD). Director update. Greg Fitzgerald has indicated his willingness to continue as CEO beyond the end of 2022. At the time of the acquisition of Linden Homes and the Partnerships business from Galliford Try in January 2020, he indicated that he would serve in the role until the end of 2022.

The PRS REIT (PRSR, 101p, £555m)

Real estate investment trust (REIT) investing in private rental sector (PRS) family homes provided by **Sigma Capital Group** (SGM). FY (Jun) results. Rev +106%, £26.6m; net rental income +111%, £21.5m; PBT/PAT +169%£44.1m; EPS +170%, 8.9p; FY div unch, 4.0p. Net assets +4%, £490m; net debt £269m (YE 20, £86m); Q1 22 estimated rental value, £41.1m. *Operations:* Almost 2,000 new Homes delivered in the year. By the end of the first quarter of the new financial year, the portfolio comprised 5,055 completed and contracted homes, and following the recent equity placing the group is on track to deliver a higher target of 5,700 homes. *Outlook:* “The continued undersupply of high-quality, well-managed family rental homes means that we remain highly confident of long-term prospects for the company”.

OnTheMarket (OTMP, 92p, £68m)

Agent-backed residential property portal. HY (Jul) results. Rev +46%, £14.9m; adj op profit, £2.1m (H1 20, £0.8m); stat PBT, £0.05m (£0.68m); PAT £0.5m (£0.7m); net cash £9.9m (£10.7m). *Trading:* Profit after tax reduced by non-recurring costs arising from the Glanty acquisition, the repayment of government grants and an increase in non-cash share-based agent recruitment charges. *Operations:* Branches +5%, 11,198; agents using OnTheMarket.com as their only property listings portal now represent 968 branches. Ave rev per advertiser/month, +52%, £188; ave monthly advertisers -5%, 12,972; traffic +365, 159 million. *Outlook:* "After a positive first six months, the Board now anticipates revenues to be slightly ahead of expectations and adjusted operating profit to be substantially ahead of expectations for the full year. Demand for residential properties in the UK has remained at very high levels, however sales and lettings instructions remain subdued".

Economic data

Construction vacancies have soared again to at least a 20-year high ([link](#)), according to today's employment data ([link](#)), which showed total UK employment of 29.2 million and the unemployment rate at 4.5%, both returning to better levels than pre-pandemic. Vacancies in construction rose to 43,000 in the three months to September, up by 45% from the previous quarter and almost double the 22,000 a year earlier (see below). The latest level represents 2.9 per 100 employees in work, albeit below the total average across the workforce of 3.7. **Viewpoint:** Likely to put further pressure on labour costs across the industry and accelerate the need for ambitious training programmes.

Construction vacancies, UK



In other news ...

ESG. Forty of the world's leading cement and concrete manufacturers have joined forces to accelerate the shift to greener concrete by pledging to cut CO2 emissions by a further 25% by 2030, ConstructionEnquirer.com ([link](#)). The firms, including in India and China, and Europe, have affirmed their commitment to net zero concrete by 2050 and agreed to a more ambitious intermediate goal of preventing 5 billion tonnes of CO2 emissions by 2030. The Global Cement and Concrete Association, which includes giants Holcim, Cemex and HeidelbergCement, has also called on governments, designers and contractors to support the global transition of the industry. These include greater development of carbon capture and storage, and reforms to public works procurement policy to encourage the use of low-carbon cement and concrete products.

Prices are as at the previous day's close.

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