

Progressive Property & Construction Daily



29 March 2021: ABBY, IHR | New mortgage lending slows but remains close to post-financial crisis highs | WeWork to hit market at \$9bn valuation via 'blank cheque company'

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

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Company news

Abbey (ABBY, 1,575p, £329m mkt cap)

Anglo-Irish-Czech housebuilder. Offer update. As at 26 March 2021, the second closing date of the offer, Gallagher Holdings Limited (GHL) had received valid acceptances from Abbey shareholders, in respect of c. 2.81% of Abbey's existing issued share capital and c. 64.35% of the shares to which the offer relates, being the shares excluding those owned by GHL. Offer period extended to 21 April and will not be extended beyond this date. Further to the announcement on 1 March, Abbey confirms that the cancellation of admission to trading of the Shares on AIM and Euronext Growth will take effect on 30 April.

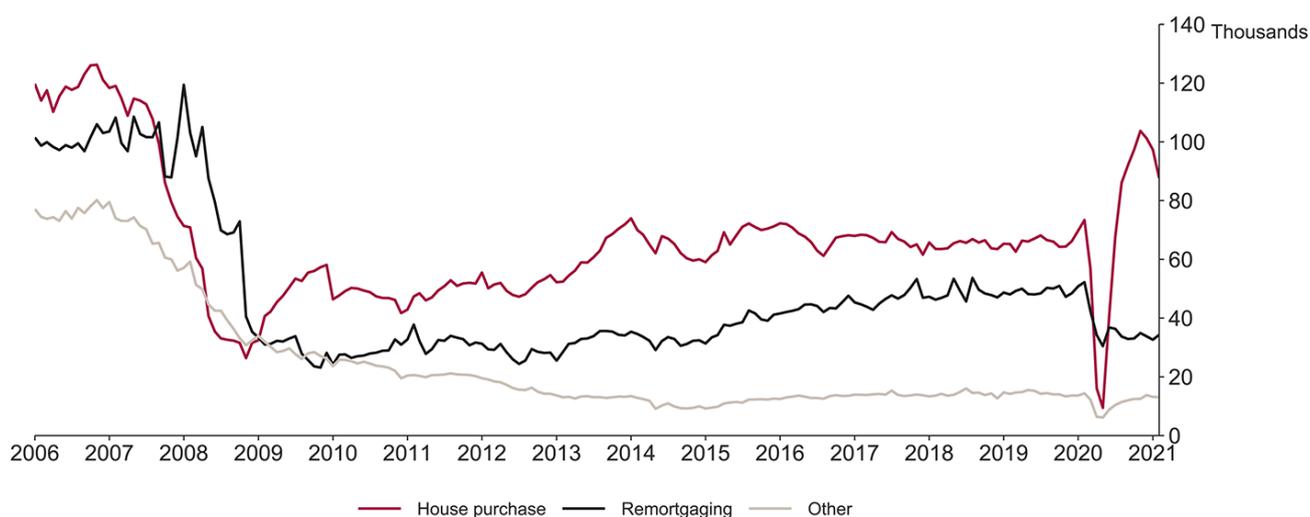
Impact Healthcare REIT (IHR, 112p, £357m)

Real estate investment trust with a diversified portfolio of UK healthcare real estate assets, led by care homes. FY (Dec) results. Rev +29%, £30.8m; PBT +9.3%, £28.8m; EPRA EPS +4.4%, 7.25p; stat EPS -13%, 9.02p; div +1.4%, 6.29p. Portfolio valuation +31%, £419m; NAV +2.6%, 110p; net debt £66.2m (YE 19, £24.3m); LTV 17.8% (6.8%). *Performance:* 100% of rent due for the year collected. 22 properties acquired with 1,513 beds for a total net cost of £84.7m. Committed to forward fund a further property with 94 beds. On completion,

this will bring total properties to 108 with 5,924 beds. Three new tenants added, total 12 tenants, at the year end. All leases continue to be inflation-linked with upwards only rent reviews. Weighted average unexpired lease term, 20.0 years (19.7 years). *Outlook:* “We remain well-capitalised and are confident that the fundamental drivers of our industry and business remain strong, even if the recovery from COVID-19 is slower than we would like. We are positioned to deliver further portfolio diversification and growth”.

Economic data

Housing market. Mortgage approvals for house purchase in February totalled 87,700, which – while down from a peak of 103,700 in November 2020 – was well above the seasonally-adjusted monthly average in the six months to February 2020 of 67,300, according to the Bank of England ([link](#)). The ‘effective rate’ – the actual interest rates paid – on newly drawn mortgages rose 6 basis points to 1.91% in February. That is slightly higher than the rate in January 2020 (1.85%) and compares with a series low of 1.72% in August 2020. The rate on the outstanding stock of mortgages remained at a series low of 2.09%.



In other news ...

WeWork has agreed to merge with a special purpose acquisition company (‘Spac’) in a deal that values the flexible office space giant at \$9bn, paving the way for the business to go public almost two years after its failed listing plunged the company into turmoil. The merger with BowX Acquisition, will pump \$1.3bn in cash into WeWork. Spacs, or ‘blank-cheque companies’, raise money through a listing and then hunt for a business to acquire, offering companies a faster route to public markets than traditional IPOs, and issuance has grown rapidly over the past 12 months.

Prices are as at the previous day's close.

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