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MarketLine Industry Profile

Real Estate in the United Kingdom

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The MarketLine logo is located at the bottom right of the page. It features the word "MarketLine" in a bold, white, sans-serif font. The "Line" part of the logo is stylized, with the letters "l", "i", "n", and "e" connected in a way that the "l" and "i" form a continuous shape, and the "n" and "e" are also connected. The entire logo has a blue outline and a slight shadow effect.

EXECUTIVE SUMMARY

Market value

The United Kingdom real estate market grew by 1.2% in 2018 to reach a value of \$133.2 billion.

Market value forecast

In 2023, the United Kingdom real estate market is forecast to have a value of \$129.6 billion, a decrease of 2.7% since 2018.

Market volume

The United Kingdom real estate market grew by 1.2% in 2018 to reach a volume of 9.6 million housing units.

Market volume forecast

In 2023, the United Kingdom real estate market is forecast to have a volume of 9.7 million housing units, an increase of 0.8% since 2018.

Geography segmentation

The United Kingdom accounts for 14.5% of the European real estate market value.

Market rivalry

Competitive pressure in this industry is intensified by the ongoing uncertainty surrounding the global economic climate, something which in turn can hamper access to necessary capital.

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MARKET OVERVIEW

Market definition

The real estate industry looks at renting and leasing residential properties. The industry is valued using the total revenues generated by landlords via the leasing and renting of private and council properties.

Values are calculated using the average annual rent multiplied by the number of rented properties.

Volume includes number of houses/properties rented out (vacant properties excluded).

Leading companies relate to companies that are involved in residential property rental and development business.

Any currency conversions used in the creation of this report have been calculated using constant annual average 2018 exchange rates.

For the purposes of this report, the global market consists of North America, South America, Europe, Asia-Pacific, Middle East, South Africa and Nigeria.

North America consists of Canada, Mexico, and the United States.

South America comprises Argentina, Brazil, Chile, Colombia, and Peru.

Europe comprises Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Russia, Spain, Sweden, Switzerland, Turkey, and the United Kingdom.

Scandinavia comprises Denmark, Finland, Norway, and Sweden.

Asia-Pacific comprises Australia, China, Hong Kong, India, Indonesia, Kazakhstan, Japan, Malaysia, New Zealand, Pakistan, Philippines, Singapore, South Korea, Taiwan, Thailand, and Vietnam.

Middle East comprises Egypt, Israel, Saudi Arabia, and United Arab Emirates.

Market analysis

The UK real estate industry experienced an overall decline during 2014–2018, with the industry fluctuating between growth and declines. This trend is projected to continue over the forecast period.

The UK real estate industry had total revenues of \$133.2bn in 2018, representing a compound annual rate of change (CARC) of -1.8% between 2014 and 2018. In comparison, the French industry declined with a CARC of -0.3%, and the German industry increased with a compound annual growth rate (CAGR) of 1.1%, over the same period, to reach respective values of \$131.2bn and \$257.0bn in 2018.

Interest rates in the UK have been low in recent years, at 0.75% since August 2018. In this way, mortgages are more affordable, so the option of buying a house becomes more attractive.

Industry consumption volumes declined with a CARC of -0.1% between 2014 and 2018, to reach a total of 9.6 million units in 2018. The industry's volume is expected to rise to 9.7 million units by the end of 2023, representing a CAGR of 0.2% for the 2018-2023 period.

According to the Bank of England, the impact of the UK leaving the EU on the housing market could be significant. Its scenarios illustrate what could happen, not necessarily what is most likely to happen, as a result of Brexit.

House prices could fall by up to 30% from their pre-Brexit level if there was no deal, or a so-called "disorderly Brexit", the Bank says. That compares with a peak-to-trough drop of 17% in average UK property values as a result of the financial crisis 10 years ago.

Because of the UK's high stamp duties on super-expensive property purchases, high-flyers are dissuaded from buying. People prefer to rent if they are staying just a few years, because the total costs of renting high-end properties are lower than the total costs of buying and then selling them. High capital gains taxes on sales, and worries about Brexit, reinforce the message that in high demand cities such as London, renting now makes sense for the rich.

The performance of the industry is forecast to decline further but at a slower pace, with an anticipated CARC of -0.5% for the five-year period 2018 - 2023, which is expected to drive the industry to a value of \$129.6bn by the end of 2023. Comparatively, the French industry will decline with a CARC of -1.3%, and the German industry will increase with a CAGR of 1.5%, over the same period, to reach respective values of \$123.0bn and \$277.3bn in 2023.

In February 2019, UK house prices defied the Brexit gloom by rising 5.9%. Therefore, as the housing market increases in terms of prices, more consumers are turning to renting, which will continue to increase demand in this industry.

MARKET DATA

Market value

The United Kingdom real estate market grew by 1.2% in 2018 to reach a value of \$133.2 billion.

The compound annual rate of change of the market in the period 2014–18 was -1.8%.

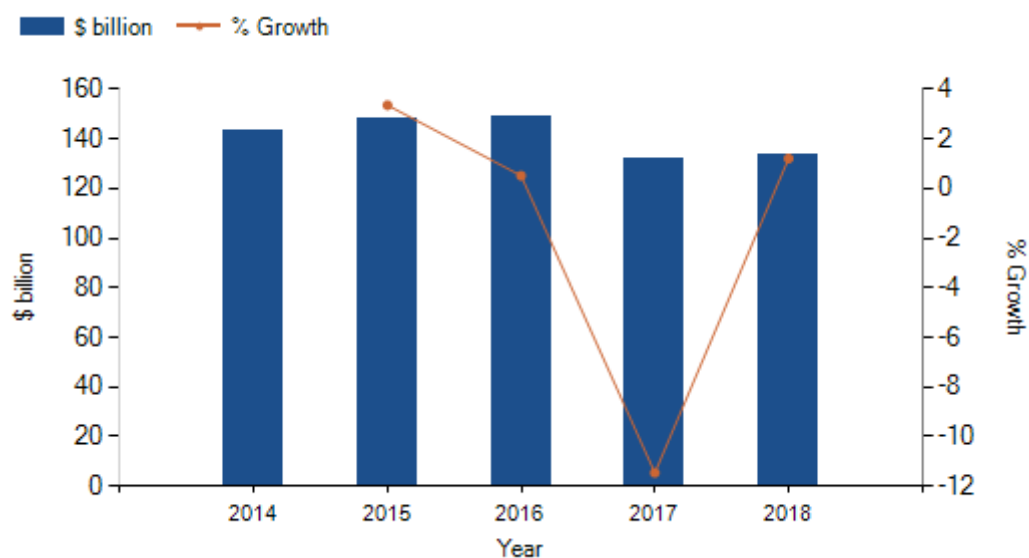
Table 1: United Kingdom real estate market value: \$ billion, 2014–18

Year	\$ billion	£ billion	€ billion	% Growth
2014	143.1	107.3	121.3	
2015	147.9	110.9	125.4	3.4%
2016	148.7	111.5	126.0	0.5%
2017	131.6	98.7	111.6	(11.5%)
2018	133.2	99.9	112.9	1.2%
CAGR: 2014–18				(1.8%)

SOURCE: MARKETLINE

MARKETLINE

Figure 1: United Kingdom real estate market value: \$ billion, 2014–18



SOURCE: MARKETLINE

MARKETLINE

Market volume

The United Kingdom real estate market grew by 1.2% in 2018 to reach a volume of 9.6 million housing units.

The compound annual rate of change of the market in the period 2014–18 was -0.1%.

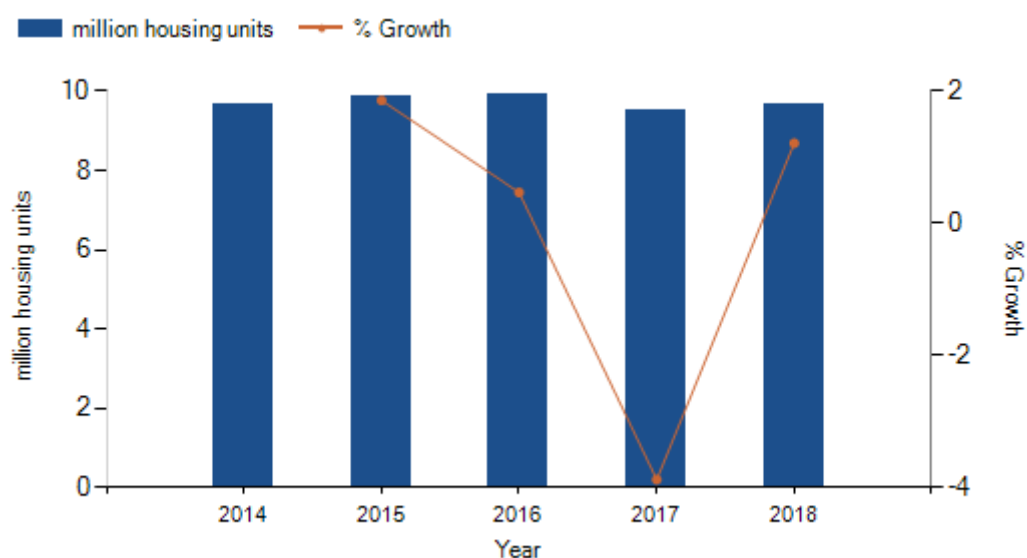
Table 2: United Kingdom real estate market volume: million housing units, 2014–18

Year	million housing units	% Growth
2014	9.7	
2015	9.9	1.9%
2016	9.9	0.5%
2017	9.5	(3.9%)
2018	9.6	1.2%
CAGR: 2014–18		(0.1%)

SOURCE: MARKETLINE

MARKETLINE

Figure 2: United Kingdom real estate market volume: million housing units, 2014–18



SOURCE: MARKETLINE

MARKETLINE

MARKET SEGMENTATION

Geography segmentation

The United Kingdom accounts for 14.5% of the European real estate market value.

Germany accounts for a further 27.9% of the European market.

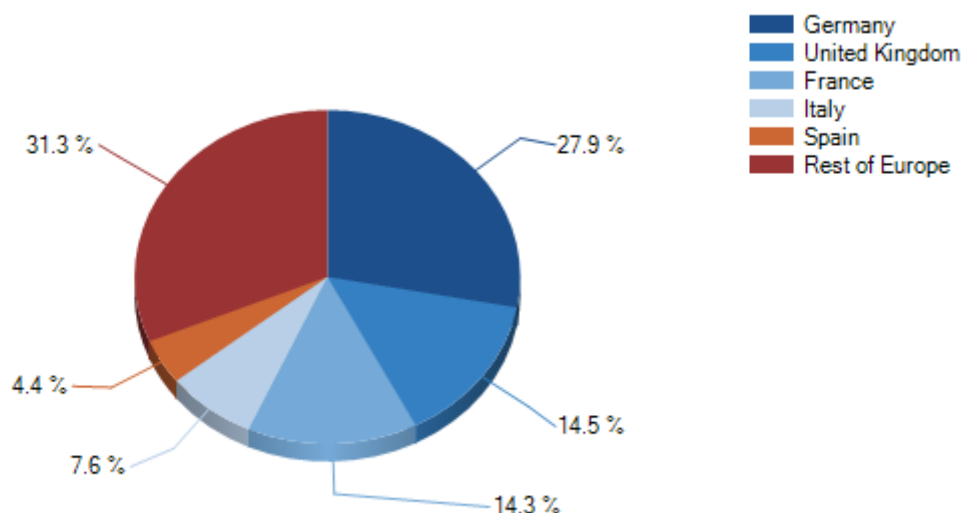
Table 3: United Kingdom real estate market geography segmentation: \$ billion, 2018

Geography	2018	%
Germany	257.0	27.9
United Kingdom	133.2	14.5
France	131.2	14.3
Italy	69.9	7.6
Spain	40.3	4.4
Rest of Europe	288.0	31.3
Total	919.6	100%

SOURCE: MARKETLINE

MARKETLINE

Figure 3: United Kingdom real estate market geography segmentation: % share, by value, 2018



SOURCE: MARKETLINE

MARKETLINE

MARKET OUTLOOK

Market value forecast

In 2023, the United Kingdom real estate market is forecast to have a value of \$129.6 billion, a decrease of 2.7% since 2018.

The compound annual rate of change of the market in the period 2018–23 is predicted to be -0.5%.

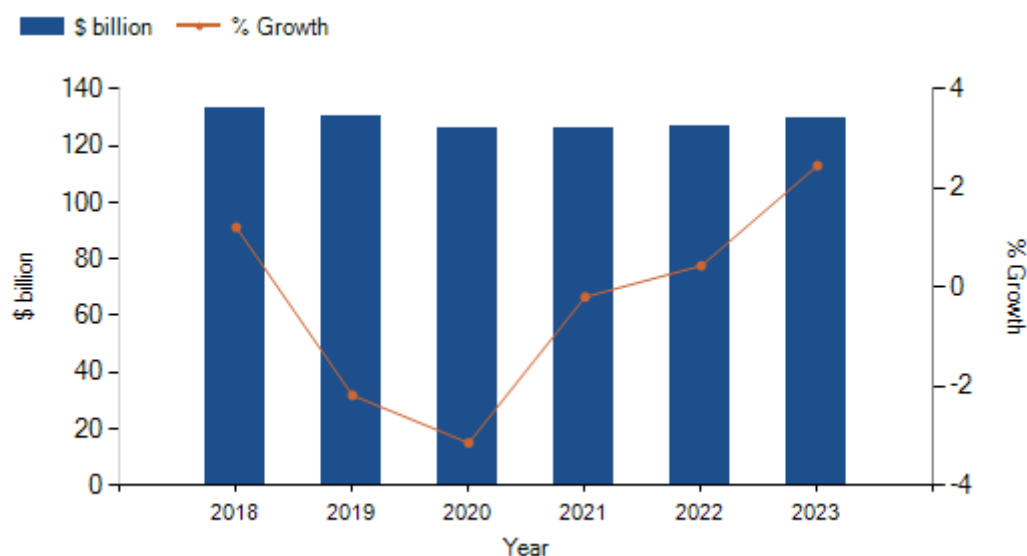
Table 4: United Kingdom real estate market value forecast: \$ billion, 2018–23

Year	\$ billion	£ billion	€ billion	% Growth
2018	133.2	99.9	112.9	1.2%
2019	130.3	97.8	110.5	(2.2%)
2020	126.2	94.7	107.0	(3.1%)
2021	126.0	94.5	106.8	(0.2%)
2022	126.5	94.9	107.3	0.4%
2023	129.6	97.2	109.9	2.5%
CAGR: 2018–23				(0.5%)

SOURCE: MARKETLINE

MARKETLINE

Figure 4: United Kingdom real estate market value forecast: \$ billion, 2018–23



SOURCE: MARKETLINE

MARKETLINE

Market volume forecast

In 2023, the United Kingdom real estate market is forecast to have a volume of 9.7 million housing units, an increase of 0.8% since 2018.

The compound annual growth rate of the market in the period 2018–23 is predicted to be 0.2%.

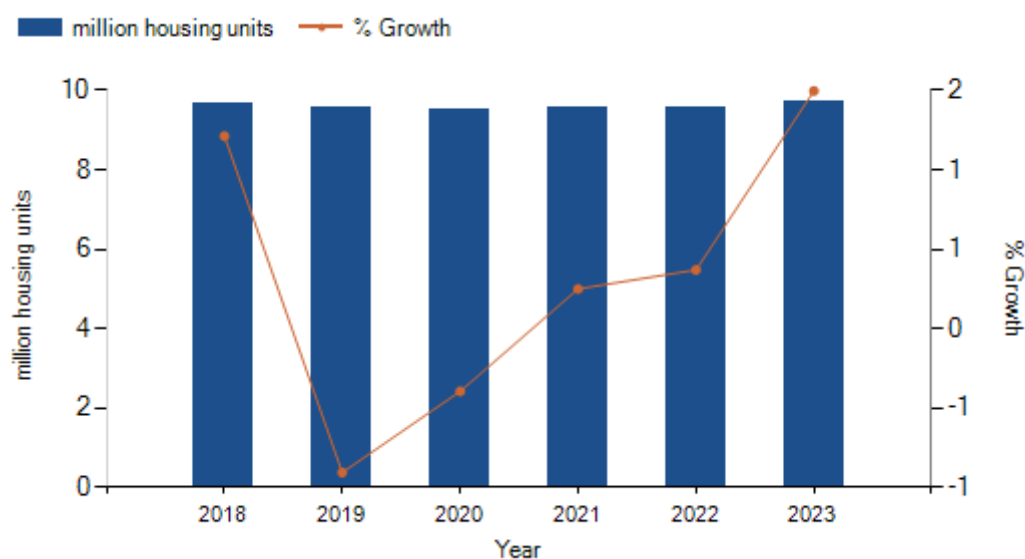
Table 5: United Kingdom real estate market volume forecast: million housing units, 2018–23

Year	million housing units	% Growth
2018	9.6	1.2%
2019	9.6	(0.9%)
2020	9.5	(0.4%)
2021	9.5	0.2%
2022	9.6	0.4%
2023	9.7	1.5%
CAGR: 2018–23		0.2%

SOURCE: MARKETLINE

MARKETLINE

Figure 5: United Kingdom real estate market volume forecast: million housing units, 2018–23



SOURCE: MARKETLINE

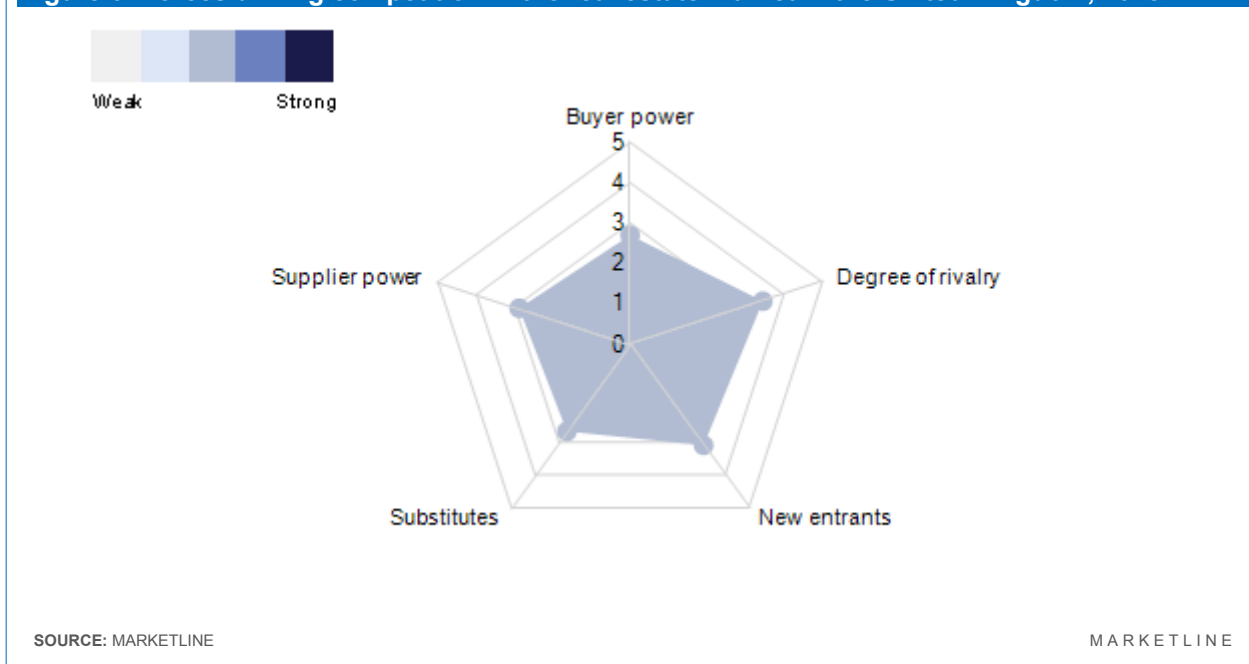
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FIVE FORCES ANALYSIS

The real estate market will be analyzed taking companies and individuals engaged in real estate renting as players. The key buyers will be taken as individual customers through to large businesses, and building and construction companies and renting agencies as the key suppliers.

Summary

Figure 6: Forces driving competition in the real estate market in the United Kingdom, 2018



Competitive pressure in this industry is intensified by the ongoing uncertainty surrounding the global economic climate, something which in turn can hamper access to necessary capital.

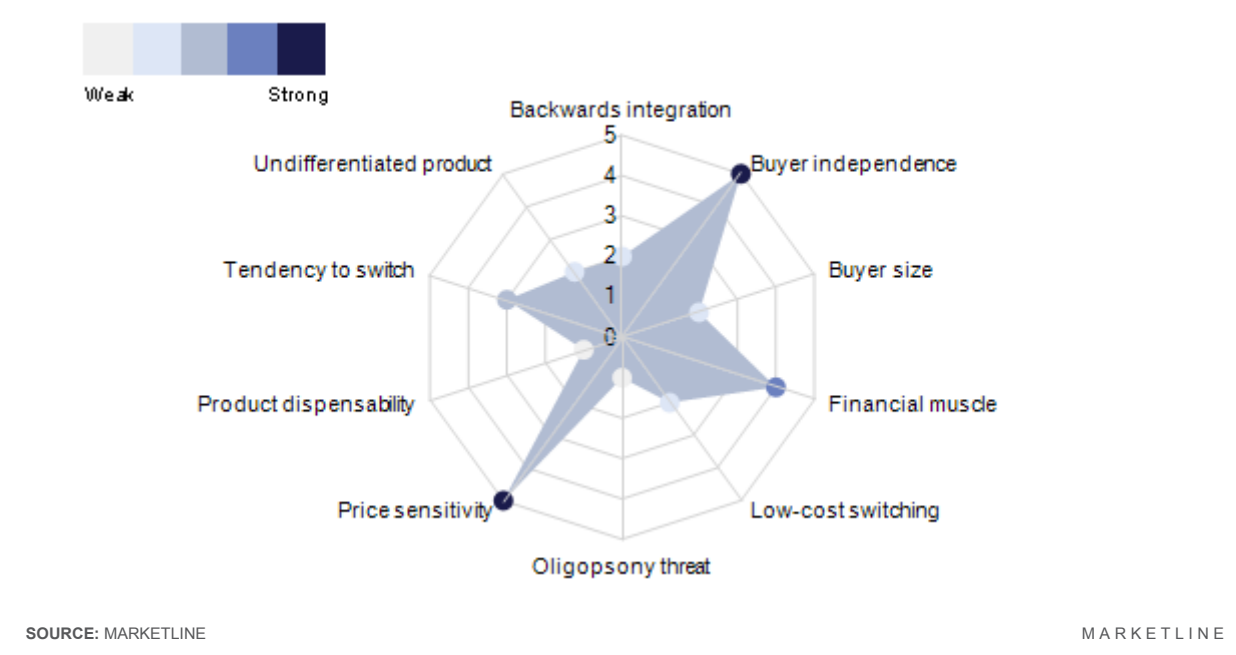
Buyers within this industry are of widely disparate size and financial strength, so the effect of their large number, which usually weakens buyer power, may be mitigated by their strong financial muscle and ability to negotiate hard with players.

Building and construction contractors, as well as property agencies are often key suppliers and their services are often of high importance to players, which boosts supplier power. Entry into this industry requires substantial capital in order to buy and maintain property; such capital can often be raised through means such as business or mortgage loans. Consequently, the entrance of new players is dictated by the macroeconomic environment which the real estate industry is especially vulnerable to.

For final consumers the main alternative to renting is to buy a property. Whether this is costlier or not is not always easy to determine and depends on certain variables, particularly mortgage rates. Interest rates in the UK have been low in recent years at 0.75% since August 2018. In this way, mortgages are more affordable so that the option of buying a house becomes more attractive. However, this cheap money has led to the surge of properties' prices in recent years, and with the added uncertainty caused by Brexit, renting properties tend to seem a safer and less expensive option.

Buyer power

Figure 7: Drivers of buyer power in the real estate market in the United Kingdom, 2018



There are many individual customers in this industry which, traditionally, would diminish buyer power as the impact of losing one customer is not overly significant to suppliers. However buyers within this industry are of widely disparate size and financial strength meaning power may be dependent on the buyers' financial muscle and ability to negotiate with players. For example a typical buyer looking to rent an average sized one-bedroom apartment in a big city would have less buyer power than a group of buyers looking to rent an expensive penthouse.

Brand recognition can play a role in attracting buyers in this industry due to trust or past experience. However, price, location, suitability, amenities and related factors, are likely to be more important. This is especially true in the case of a small, individual buyer who wishes to rent a property in a big city. The growing desire to live within walking distance from the city center has led to a situation where demand for apartments increased in towns as opposed to suburbs, weakening buyer power. Furthermore, the home-ownership rate in a country can depict the propensity of individuals to rent or buy a house. In 2017, 63% of people lived in their own home, just over 17% were renting and just over 18% were renting from social landlords. This rate of ownership is amongst the lowest, in Europe which indicates an increased dependence on the rental market. In detail, this trend is due to the increasing price of houses. Furthermore, home-ownership rate for young people aged 25-34 years have fallen more than any other age group, estimated at less than 40%, according to DCLG Housing Survey. Moreover, a fifth of the UK population now lives in privately rented accommodation, the English Housing Survey has revealed in its latest report for 2016/2017, accounting for 4.7 million households.

Analytically, this happens because most of the buyers in this age group cannot afford or do not meet the criteria for mortgage lending. At the same time, according to surveys, flexibility is valued as one of the most desirable advantages of renting for this group.

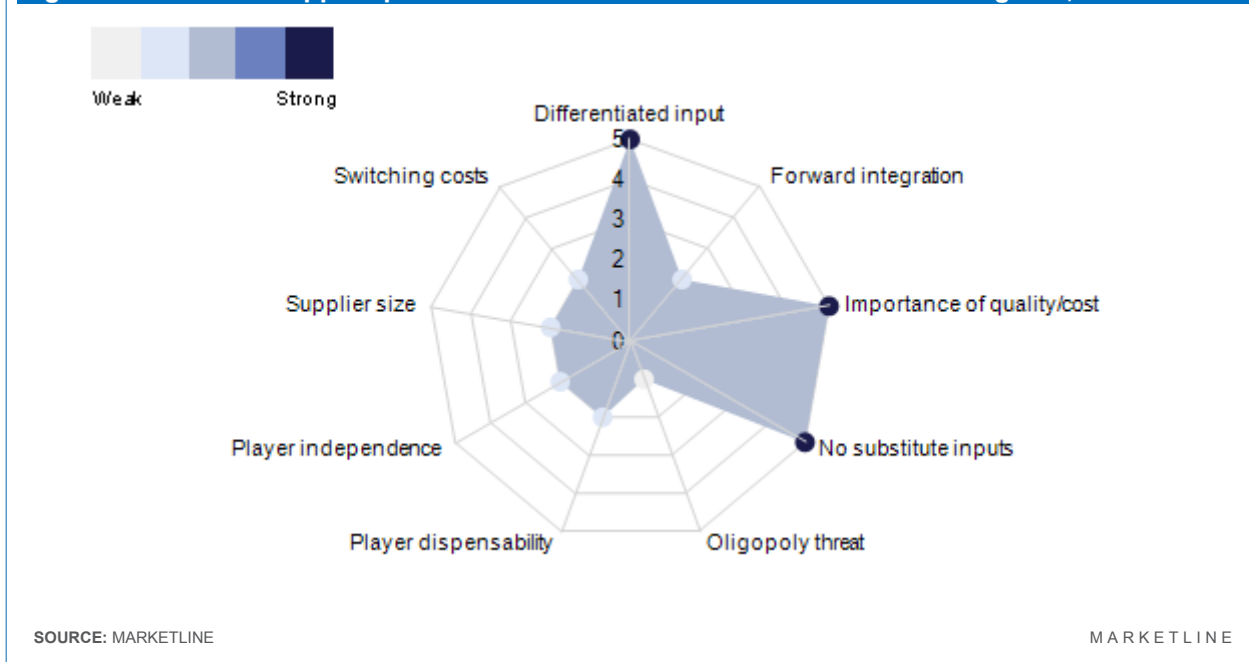
Switching costs for buyers are dependent on whether a property is leased directly or indirectly by an estate agent. In the latter situation, buyers may have to pay higher fees for contract termination. A tenant's legal contract generally covers a specified time period, which can result in switching costs in the form of an early termination fee should a tenant wish to exit a contract early. Overall though, switching costs may actually be higher than those prescribed on a contract, as costs incurred for moving and setting up another contract should also be considered. Industry players can differentiate themselves through types of property offered and services provided, such as help with renting. Consumer awareness is increased through online property search portals, where an individual can compare rent prices, while this is the most usual way for real estate agents to promote their offerings. In the UK, the most popular property search websites are rightmove.co.uk, zoopla.co.uk and primelocation.com.

Lastly, demographics are one of the factors that have a strong direct impact on the demand for real state. In fact, rising urbanization and population in general, plausibly entail greater demand. The urban population has recorded a steady significant growth in the UK in recent years. Particularly, this trend is also attributed to an immigration influx in the UK, mostly in urban areas.

Buyer power in this industry is assessed as moderate overall.

Supplier power

Figure 8: Drivers of supplier power in the real estate market in the United Kingdom, 2018



Companies and individuals operating in this industry are engaged in the letting and maintenance of property. Consequently, building, repairing and letting contractors are key suppliers. The large number of such companies serves to weaken supplier power considerably. Renting agencies and the majority of building and repair companies offer a largely undifferentiated service which tends to diminish supplier power significantly.

Industry players will often enter into contracts with suppliers on certain projects, and long-term maintenance contracts are likely to be in place. Such strategies strengthen supplier power as switching costs may be incurred for industry players should they wish to change provider.

Furthermore, the services offered by suppliers are of importance to industry players, strengthening supplier power further. Employees with relevant skills and qualifications are a further input to this industry. The ability of industry players to attract and retain employees is generally vital to the success of a business.

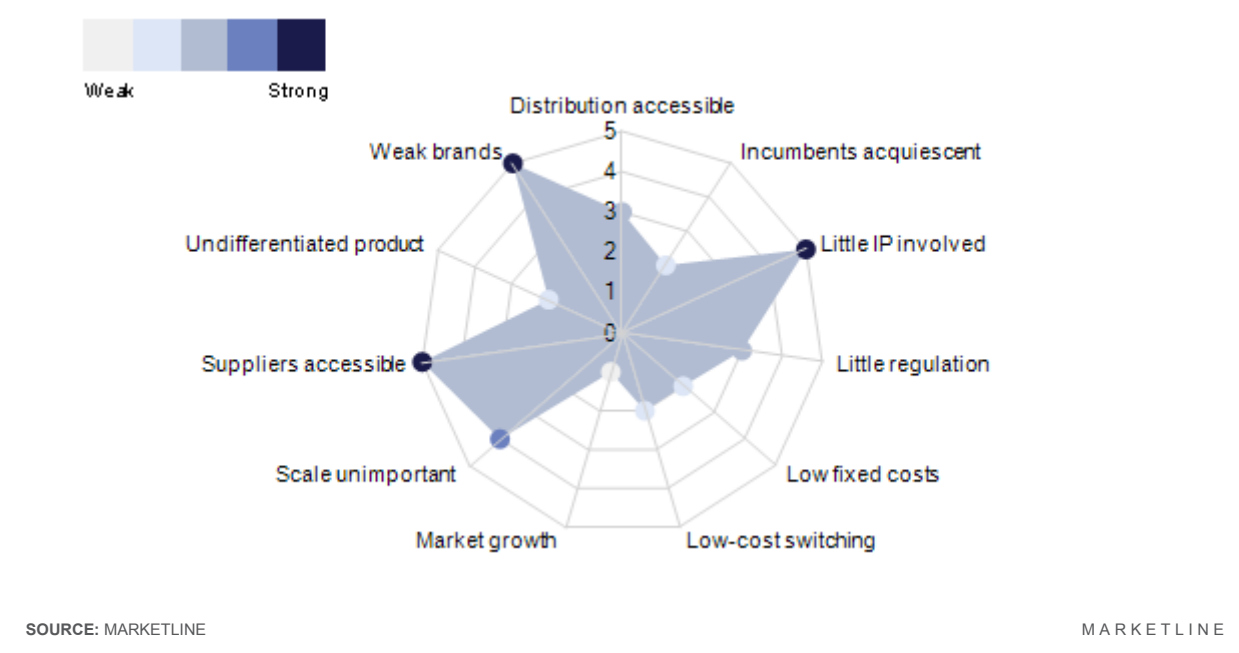
Building construction companies are the most powerful suppliers for the real estate industry as their number is limited due to the large amount of capital required to engage in these operations. The tendency of building construction companies to integrate forward is prevalent in this industry although, in the majority of cases, it occurs among smaller companies that are interested in increasing their profits by long-term rent agreements on property that has been purchased and often renovated. In fact, the suppliers with greater financial muscle generally do not tend to be involved in the leasing or renting of property.

Another key fact for the UK industry is that there is great competition among building companies, while medium-sized firms mainly undertake the construction of residential buildings, according to ONS data. In this way, the bargaining power of players is increased against these suppliers.

Overall, supplier power in this industry is assessed as moderate.

New entrants

Figure 9: Factors influencing the likelihood of new entrants in the real estate market in the United Kingdom, 2018



Entry into this industry requires substantial capital in order to buy and maintain property. Such capital can often be raised through means such as business loans or mortgage loans. However, the economic crisis has led to more stringent credit market requirements and regulations, making the raising of necessary capital more difficult. Financial pressure can arise for new companies as significant investment is required and there is usually a period of time before revenues on let properties are generated.

Entry into this industry can be achieved on a small scale, reducing barriers for new companies. Large companies do not tend to benefit much from economies of scale; however, they can enjoy greater brand recognition, something which is a factor in this industry.

The markets in which players operate can often be uncertain. The real estate industry is particularly vulnerable to changes in the macroeconomic environment. During times of strong economic growth, companies usually generate higher revenues. However, in the face of recent economic turbulence, business in some segments is affected, causing increased tenant bankruptcies, which in turn drives vacancy rates and losses in companies' revenues. Such uncertainty can be off-putting for potential new entrants. What is more, housing bubbles may be created in times of economic euphoria driving prices up, but the eventual market-adjustment can be devastating for the industry and the economy as a whole.

The industry is also affected by certain government policies which impact the regulation framework. For example, tax deductions for mortgage payments or rent subsidies can negatively or positively affect demand for real estate, respectively. In the UK, government spending on housing allowance is one of the highest in the world. In detail, this housing allowance mainly takes the form of rent subsidies for lower income groups. The government spends approximately £22 billion (\$26bn) a year on housing benefit. That dwarfs spending on the police, on overseas aid and the budgets of many entire government departments. Spending on this one benefit has doubled since the early 2000s. More than four million households receive it according to the ESRC.

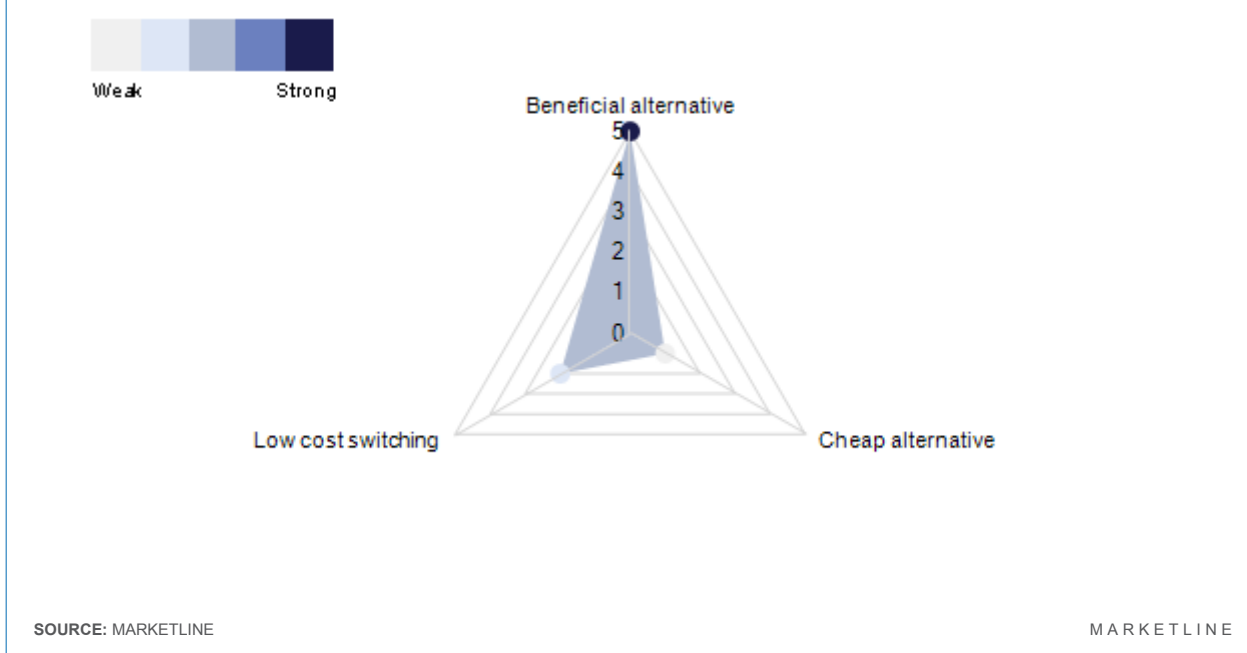
What is more, the growth of new available (residential) dwellings has increased in recent years at an accelerated trend. Accordingly, the increase of housing stock supply more than the growth of demand is expected to suppress the bargaining power of players in future.

The consequences of Brexit are going to have a direct impact on the UK real estate industry. In detail, limits on the immigration influx from EU countries would lead to a weaker demand and fall in rent prices. What is more, it is possible that foreign property-buyers from EU may also be subject to restrictions so the value of properties in "expensive" locations fueled by this demand would drop significantly. Under these terms, not only would rent prices fall because of that value loss, but these prices would become more affordable for legal residents and cause the rental market to shrink.

Overall the threat of new entrants to this industry is assessed as moderate.

Threat of substitutes

Figure 10: Factors influencing the threat of substitutes in the real estate market in the United Kingdom, 2018



From the point of view of customers, the main alternative to property renting is to buy, rather than lease. Whether or not this is costlier is not always easy to determine as the cost calculations are based on many variables, such as interest rates, length of the mortgage/lease or the rent/mortgage agreement. Both interest rates and rents can be unpredictable in the medium to long-term. Also, property owners will have responsibilities for maintenance, which management and development companies would often include as part of their service, decreasing the cost for tenants.

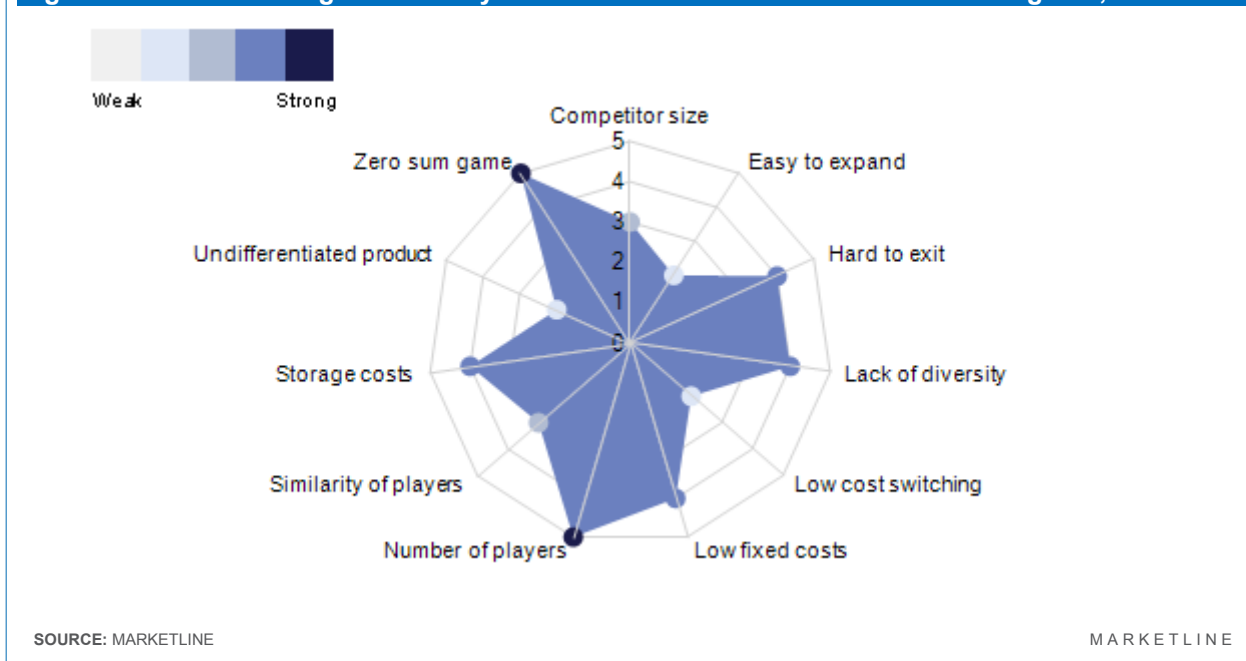
However, over a lifetime renting is unlikely to be cheaper than the purchase of a home as the rental property is never owned. Accordingly, the choice between renting and buying a house mainly depends on the interest rates of mortgages offered. The higher the mortgage rates are, the less appealing the option of purchasing a house becomes.

Uncertainty in the economy and future house prices has meant there has been more leaning towards renting a property as its value could end up being less than the investment in it. This is especially relevant for lower income households. A tight mortgage market along with limited supply and rising property prices could push would-be purchasers into rental accommodation. Furthermore, as the return on deposit rates are negligible for individuals, investing in property is considered the best option. In fact, a driver of demand for renting properties is low interest rates which have stimulated the purchase of properties through mortgage-lending, even though that value of properties has surged in recent years. The Bank of England has kept interest rates on hold at 0.75% amid continued uncertainty surrounding Brexit.

Overall, the threat of substitutes is moderate.

Degree of rivalry

Figure 11: Drivers of degree of rivalry in the real estate market in the United Kingdom, 2018



The weak/declining growth rates of the UK real estate industry in recent years has intensified rivalry amongst players. Analytically, increasing rent prices, as well as the augmented volume of rented houses limit competition among players as the growing number of buyers seem willing to afford these prices.

As the location of a property is one of the most crucial elements that determines its value, there is great competition between real estate players on offering properties in certain locations of high-demand where larger profitability exists. This is because demand usually outpaces supply for properties in “valuable” places. However, diversity is also essential to avoid negative demand shocks based on variable socioeconomic factors that may affect certain locations.

Financial leverage also plays an important role in terms of acquiring new properties for renting and leasing purposes. As a matter of fact, liquidity is a competitive advantage for industry players in times of limited access to lending for developing their property portfolio.

Most importantly overall, rivalry in the real estate industry is dictated by the gap between demand and supply. Rivalry becomes less intense as the supply meets and overtakes demand. Intuitively, vacancy rates and prices of properties are indicators of such condition. Rent prices in the UK have increased in recent years at a 2.3% rate on average. In 2016, rent price growth was the lowest in that period, estimated at 1.7%, but demand for renting residential properties had been augmented in terms of volume in that year. Consequently, this is a positive sign of demand which undoubtedly reduces rivalry among players.

London is the location with the highest demand overall, as it is the most expensive city to rent a house, more expensive than any other city in the UK. In this way, strong demand is in favor of players, with rent prices being driven up. In fact, small-size apartments have the highest yield as these are the most popular because of their affordability. In 2018, London properties recorded a 0.1% increase on their rent prices (ONS). However, other regions in the UK recorded rent price increases too, indicating greater demand and less rivalry. Rental prices for the UK excluding London increased by 1.5% in 2018, up from 1.4% from the previous year.

Lastly, government plans for the elimination of tax reliefs over mortgage-lending by 2020 is expected to play a significant role on the competition of players in the industry. Analytically, those players – mainly of smaller size - that buy-to-let properties based on mortgage-lending will be subject to higher taxable income and consequently to reduced profitability. On the other hand, larger players with increased financial strength that do not usually depend on mortgage-lending will actually benefit against the reduced competition capacity of smaller players.

Overall, rivalry within this industry is assessed as strong.

LEADING COMPANIES

Carter Jonas LLP

Table 6: Carter Jonas LLP: key facts

Head office:	127 Mount Street, Mayfair, London, W1K 3NT, GBR
Telephone:	44 20 7493 0676
Fax:	44 20 7758 9680
Website:	www.carterjonas.co.uk

SOURCE: COMPANY WEBSITE

MARKETLINE

Carter Jonas LLP was founded in 1855 and is based in London, the United Kingdom. The company offers real estate management and advisory services for residential property such as buying, letting, and selling. The other activities include sale, relocation, and letting of managed homes, farms, property, estates, and international property and commercial property.

The company also offers sale, purchase, planning, development, valuation, and consulting services to rural land and business, energy, marine, mineral extraction, and waste management sectors. It also produces residential and rural publications and research reports.

In 2015 Carter Jonas acquired New Square Holdings. As part of the transaction, Carter Jonas is also acquiring Januarys' development land business in Northampton, UK. Pursuant to the transaction, the combined residential sales and lettings businesses will initially trade as Carter Jonas Bradshaws.

Key Metrics

Carter Jonas LLP is a privately owned company and is not obliged to publish its financial information.

Daejan Holdings Plc

Table 7: Daejan Holdings Plc: key facts

Head office:	Freshwater House, 158-162 Shaftesbury Avenue, London, Greater London, GBR
Telephone:	44 20 78361555
Fax:	44 20 74978941
Website:	www.daejanholdings.com
Financial year-end:	March
Ticker:	DJAN
Stock exchange:	London

SOURCE: COMPANY WEBSITE

MARKETLINE

Daejan Holdings PLC (Daejan Holdings) is a business of property investment and development company. The company provides property portfolio such as of commercial, industrial and residential properties located throughout the UK. It offers category of residential properties in the United Kingdom such as residential apartments and houses, and its commercial properties include retail units, office units, industrial units, leisure and service units, and land and development, among others. Daejan Holdings provides residential properties in the United States such as residential apartments and unsold co-operative residential apartments and commercial properties include commercial offices and retail units, among others. The company operates in the US and the UK. Daejan Holdings is headquartered in London, the UK.

Key Metrics

The company recorded revenues of \$190 million in the fiscal year ending March 2018, an increase of 1.5% compared to fiscal 2017. Its net income was \$270 million in fiscal 2018, compared to a net income of \$216 million in the preceding year.

Table 8: Daejan Holdings Plc: key financials (\$)

\$ million	2014	2015	2016	2017	2018
Revenues	149.3	171.9	184.2	187.6	190.5
Net income (loss)	200.0	297.3	190.5	216.0	270.5
Total assets	2,213.1	2,626.5	2,876.9	3,208.7	3,379.3
Total liabilities	732.6	848.6	903.9	1,001.1	962.6

SOURCE: COMPANY FILINGS

MARKETLINE

Table 9: Daejan Holdings Plc: key financials (£)

£ million	2014	2015	2016	2017	2018
Revenues	112.0	129.0	138.2	140.7	142.9
Net income (loss)	150.0	223.0	142.9	162.0	202.9
Total assets	1,660.2	1,970.2	2,158.1	2,407.0	2,535.0
Total liabilities	549.5	636.6	678.0	751.0	722.1

SOURCE: COMPANY FILINGS

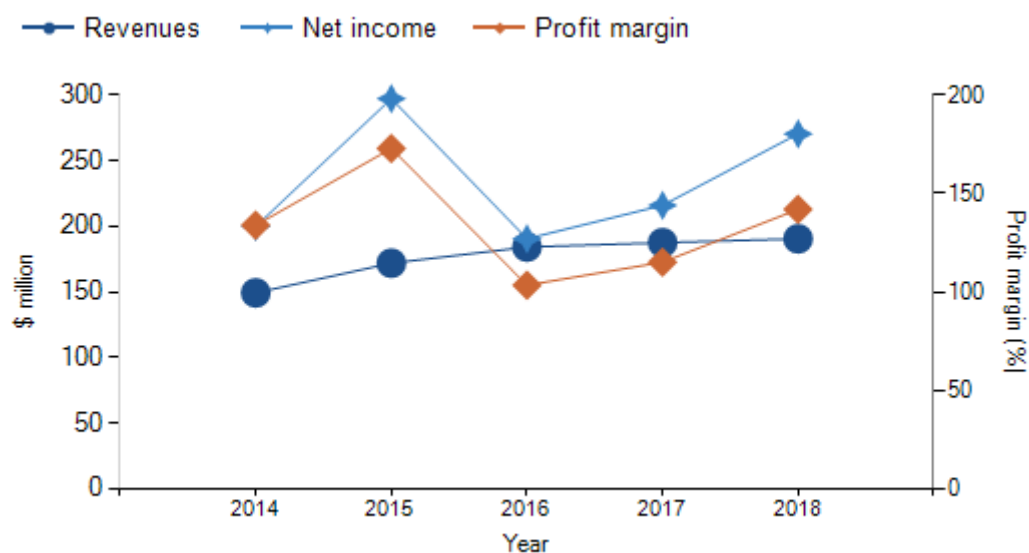
MARKETLINE

Table 10: Daejan Holdings Plc: key financial ratios

Ratio	2014	2015	2016	2017	2018
Profit margin	133.9%	172.9%	103.4%	115.1%	142.0%
Revenue growth	0.9%	15.2%	7.2%	1.8%	1.5%
Asset growth	9.0%	18.7%	9.5%	11.5%	5.3%
Liabilities growth	2.1%	15.8%	6.5%	10.8%	(3.8%)
Debt/asset ratio	33.1%	32.3%	31.4%	31.2%	28.5%
Return on assets	9.4%	12.3%	6.9%	7.1%	8.2%

SOURCE: COMPANY FILINGS

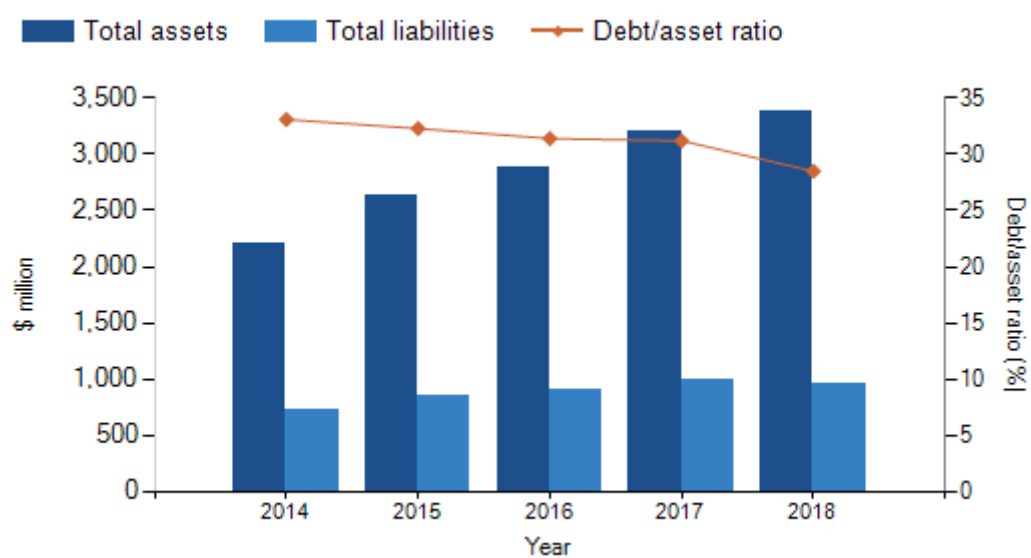
MARKETLINE

Figure 12: Daejan Holdings Plc: revenues & profitability

SOURCE: COMPANY FILINGS

MARKETLINE

Figure 13: Daejan Holdings Plc: assets & liabilities



SOURCE: COMPANY FILINGS

MARKETLINE

Grainger plc

Table 11: Grainger plc: key facts

Head office:	Citygate, St. James' Boulevard, Newcastle Upon Tyne, GBR
Telephone:	44 191 2611819
Website:	www.graingerplc.co.uk
Financial year-end:	September
Ticker:	GRI
Stock exchange:	London

SOURCE: COMPANY WEBSITE

MARKETLINE

Grainger plc (Grainger) is a specialist residential landlord. It operates, rents and manages residential properties. It owns various residential buildings on regulated tenancy agreements. The company along with institutional investor APG co-invests in market-let residential investment fund GRIP in the UK. In addition, the company provides services such as fund management, asset management and property management. Grainger operates and manages over 8,900 homes for rent across the UK. The company has a portfolio of 4,789 private rented sector (PRS) homes, with average stay duration of 27 months. In addition, the company operates 4,142 regulated tenancies and other reversionary assets.

Some active development projects of the company include residential led mixed such as Macaulay Walk, King Street, Hornsey Road Baths, Curzon Park, Seven Sisters, and Macaulay Walk.

Key Metrics

The company recorded revenues of \$79 million in the fiscal year ending September 2018, a decrease of 77.7% compared to fiscal 2017. Its net income was \$117 million in fiscal 2018, compared to a net income of \$100 million in the preceding year.

Table 12: Grainger plc: key financials (\$)

\$ million	2014	2015	2016	2017	2018
Revenues	426.6	325.3	293.1	353.3	78.9
Net income (loss)	100.0	57.3	180.4	100.0	116.5
Total assets	2,391.5	2,562.2	2,150.1	2,355.5	2,519.8
Total liabilities	1,674.3	1,809.0	1,250.2	1,362.4	1,432.5

SOURCE: COMPANY FILINGS

MARKETLINE

Table 13: Grainger plc: key financials (£)

£ million	2014	2015	2016	2017	2018
Revenues	320.0	244.0	219.9	265.0	59.2
Net income (loss)	75.0	43.0	135.3	75.0	87.4
Total assets	1,794.0	1,922.0	1,612.9	1,767.0	1,890.2
Total liabilities	1,256.0	1,357.0	937.8	1,022.0	1,074.6

SOURCE: COMPANY FILINGS

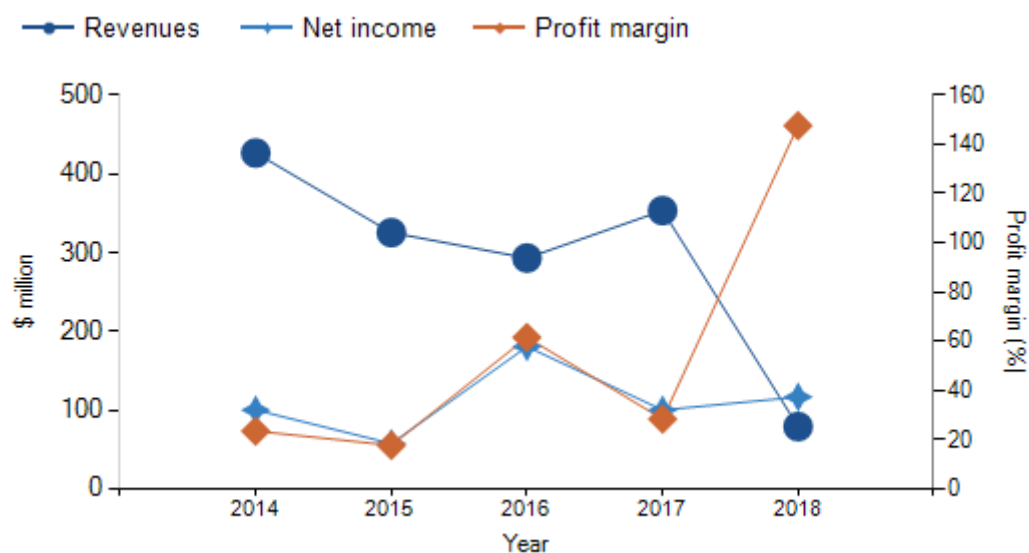
MARKETLINE

Table 14: Grainger plc: key financial ratios

Ratio	2014	2015	2016	2017	2018
Profit margin	23.4%	17.6%	61.5%	28.3%	147.6%
Revenue growth	13.1%	(23.8%)	(9.9%)	20.5%	(77.7%)
Asset growth	4.9%	7.1%	(16.1%)	9.6%	7.0%
Liabilities growth	0.8%	8.0%	(30.9%)	9.0%	5.1%
Debt/asset ratio	70.0%	70.6%	58.1%	57.8%	56.9%
Return on assets	4.3%	2.3%	7.7%	4.4%	4.8%

SOURCE: COMPANY FILINGS

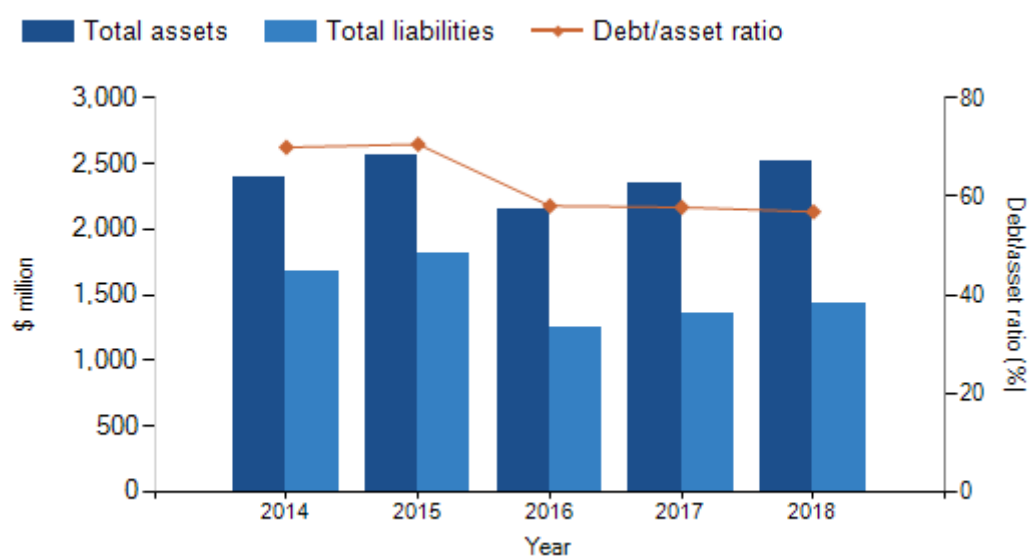
MARKETLINE

Figure 14: Grainger plc: revenues & profitability

SOURCE: COMPANY FILINGS

MARKETLINE

Figure 15: Grainger plc: assets & liabilities



SOURCE: COMPANY FILINGS

MARKETLINE

Savills Plc

Table 15: Savills Plc: key facts

Head office:	33 Margaret Street, London, GBR
Telephone:	44 20 74998644
Website:	www.savills.com
Financial year-end:	December
Ticker:	SVS
Stock exchange:	London

SOURCE: COMPANY WEBSITE

MARKETLINE

Savills plc (Savills) is a provider of real estate services. The company provides transaction advisory, consultancy, investment management and facilities management services. Its service portfolio includes property management, tenant representation, investment advisory, leasing, capital markets, residential and investment management. Savills also provides other services such as valuation, environmental consultancy, strategic projects, building and housing consultancy, corporate services, strategic advice, commercial and research. The company provides its services to corporate, private and institutional investors. It operates through a network of 600 business offices and associates across the Americas, Europe, Asia-Pacific, Africa and the Middle East. Savills is headquartered in London, the UK.

Key Metrics

The company recorded revenues of \$2,133 million in the fiscal year ending December 2017, an increase of 10.7% compared to fiscal 2016. Its net income was \$107 million in fiscal 2017, compared to a net income of \$89 million in the preceding year.

Table 16: Savills Plc: key financials (\$)

\$ million	2013	2014	2015	2016	2017
Revenues	1,206.2	1,437.3	1,711.0	1,927.5	2,132.9
Net income (loss)	67.7	82.8	85.7	89.2	106.8
Total assets	814.9	1,122.4	1,326.5	1,529.6	1,693.8
Total liabilities	455.0	683.2	840.9	988.9	1,107.0

SOURCE: COMPANY FILINGS

MARKETLINE

Table 17: Savills Plc: key financials (£)

£ million	2013	2014	2015	2016	2017
Revenues	904.8	1,078.2	1,283.5	1,445.9	1,600.0
Net income (loss)	50.8	62.1	64.3	66.9	80.1
Total assets	611.3	842.0	995.1	1,147.4	1,270.6
Total liabilities	341.3	512.5	630.8	741.8	830.4

SOURCE: COMPANY FILINGS

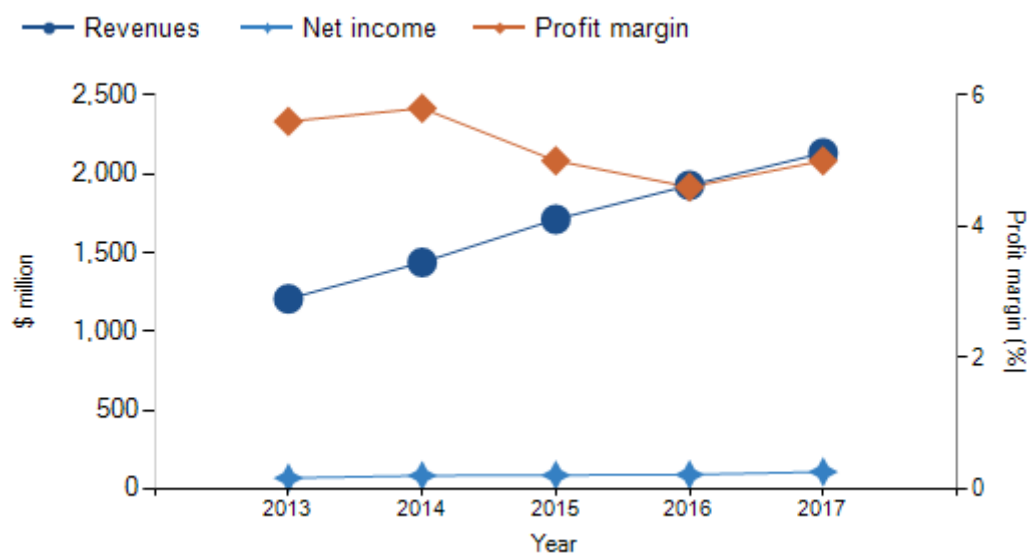
MARKETLINE

Table 18: Savills Plc: key financial ratios

Ratio	2013	2014	2015	2016	2017
Profit margin	5.6%	5.8%	5.0%	4.6%	5.0%
Revenue growth	12.2%	19.2%	19.0%	12.7%	10.7%
Asset growth	11.0%	37.7%	18.2%	15.3%	10.7%
Liabilities growth	7.3%	50.2%	23.1%	17.6%	11.9%
Debt/asset ratio	55.8%	60.9%	63.4%	64.7%	65.4%
Return on assets	8.7%	8.5%	7.0%	6.2%	6.6%

SOURCE: COMPANY FILINGS

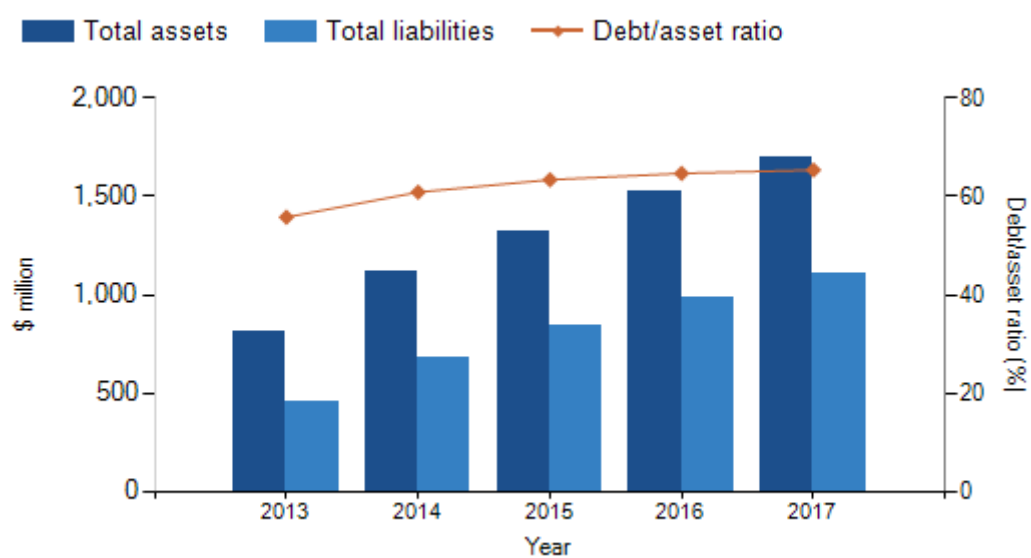
MARKETLINE

Figure 16: Savills Plc: revenues & profitability

SOURCE: COMPANY FILINGS

MARKETLINE

Figure 17: Savills Plc: assets & liabilities



SOURCE: COMPANY FILINGS

MARKETLINE

MACROECONOMIC INDICATORS

Country data

Table 19: United Kingdom size of population (million), 2014–18

Year	Population (million)	% Growth
2014	64.5	0.6%
2015	64.8	0.6%
2016	65.2	0.6%
2017	65.5	0.5%
2018	65.9	0.5%

SOURCE: MARKETLINE

MARKETLINE

Table 20: United Kingdom gdp (constant 2005 prices, \$ billion), 2014–18

Year	Constant 2005 Prices, \$ billion	% Growth
2014	2,507.1	2.8%
2015	2,576.1	2.8%
2016	2,641.3	2.5%
2017	2,705.7	2.4%
2018	2,772.3	2.5%

SOURCE: MARKETLINE

MARKETLINE

Table 21: United Kingdom gdp (current prices, \$ billion), 2014–18

Year	Current Prices, \$ billion	% Growth
2014	2,853.7	12.7%
2015	2,979.4	4.4%
2016	3,107.0	4.3%
2017	3,243.4	4.4%
2018	3,389.9	4.5%

SOURCE: MARKETLINE

MARKETLINE

Table 22: United Kingdom inflation, 2014–18

Year	Inflation Rate (%)
2014	1.6%
2015	1.8%
2016	2.1%
2017	2.0%
2018	2.0%

SOURCE: MARKETLINE

MARKETLINE

Table 23: United Kingdom consumer price index (absolute), 2014–18

Year	Consumer Price Index (2005 = 100)
2014	128.2
2015	130.5
2016	133.2
2017	135.8
2018	138.6

SOURCE: MARKETLINE

MARKETLINE

Table 24: United Kingdom exchange rate, 2014–18

Year	Exchange rate (\$/£)	Exchange rate (€/£)
2014	0.6073	0.8062
2015	0.6544	0.7260
2016	0.7407	0.8192
2017	0.7760	0.8770
2018	0.7502	0.8850

SOURCE: MARKETLINE

MARKETLINE

METHODOLOGY

MarketLine Industry Profiles draw on extensive primary and secondary research, all aggregated, analyzed, cross-checked and presented in a consistent and accessible style.

Review of in-house databases – Created using 250,000+ industry interviews and consumer surveys and supported by analysis from industry experts using highly complex modeling & forecasting tools, MarketLine's in-house databases provide the foundation for all related industry profiles

Preparatory research – We also maintain extensive in-house databases of news, analyst commentary, company profiles and macroeconomic & demographic information, which enable our researchers to build an accurate market overview

Definitions – Market definitions are standardized to allow comparison from country to country. The parameters of each definition are carefully reviewed at the start of the research process to ensure they match the requirements of both the market and our clients

Extensive secondary research activities ensure we are always fully up-to-date with the latest industry events and trends

MarketLine aggregates and analyzes a number of secondary information sources, including:

- National/Governmental statistics
- International data (official international sources)
- National and International trade associations
- Broker and analyst reports
- Company Annual Reports
- Business information libraries and databases

Modeling & forecasting tools – MarketLine has developed powerful tools that allow quantitative and qualitative data to be combined with related macroeconomic and demographic drivers to create market models and forecasts, which can then be refined according to specific competitive, regulatory and demand-related factors

Continuous quality control ensures that our processes and profiles remain focused, accurate and up-to-date

Industry associations

The International Real Estate Federation

17 rue Dumont d'Urville, F-75116, Paris, FRA

Tel.: 33 1 73 79 58 30

Fax: 33 1 73 79 58 33

www.fiabci.org

Association of International Property Professionals Ltd

Fourth Floor, 5-8 The Sanctuary, Westminster, London SW1P 3JS, GBR

Tel.: 44 20 7222 6172

Fax: 44 20 3207 9182

www.aipp.org.uk

Related MarketLine research

Industry Profile

Real Estate in the United States

Real Estate in France

Real Estate in Germany

Real Estate in Canada

APPENDIX

About MarketLine

In an information-rich world, finding facts you can rely upon isn't always easy. MarketLine is the solution.

We make it our job to sort through the data and deliver accurate, up-to-date information on companies, industries and countries across the world. No other business information company comes close to matching our sheer breadth of coverage.

And unlike many of our competitors, we cut the 'data padding' and present information in easy-to-digest formats, so you can absorb key facts in minutes, not hours.

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Profiling all major companies, industries and geographies, MarketLine is one of the most prolific publishers of business information today.

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