

Vistry Group PLC

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Housebuilders enjoy more upgrades as Tory election sets foundation for more growth

Vistry Group PLC (LON:VTY) and its housebuilding peers received more broker upgrades on Monday as the Conservative's December election victory continued to drive positivity about the sector and house prices in general.

Bank of America Merrill Lynch double-upgraded Vistry Group PLC (LON:VTY), formerly known as Bovis Homes, to 'buy' from 'sell' and hiked its share price target to 1,560p from 1,282p, while FTSE 100-listed Taylor Wimpey PLC (LON:TW.) was upped to 'buy' from 'neutral' with its target price lifted to 230p from 200p.

READ: Citi analysts "continue to see value" in UK housebuilders, but Barratt knocked down to 'neutral'

However, it wasn't all positive, with Merrill downgrading Barratt Developments PLC (LON:BDEV) to 'neutral' from 'buy', even though the target price was increased to 800p from 749p.

Peel Hunt expects companies to "throw off large amounts of cash" Also joining the upgrade brigade on Monday was Peel Hunt, which moved both Taylor and Bellway PLC (LON:BWY) to 'add' from 'hold' and hiked their target price for the two firms to 215p from 165p and to 4,330p from 3,550p respectively.

The broker said that the Tory victory had given the sector "a shot in the arm" and they expected house prices to follow suit.

"More consumer confidence and housing demand should see house prices edge up, helping housebuilder margins, while there will be more upside potential for volumes", Peel Hunt said.

The broker added that this will see companies the sector "throw off large amounts of cash which will mostly be returned to investors".

The upgrades sent shares in Taylor Wimpey 2.3% higher to 202.1p in late-morning trading, making it one of the FTSE 100's top risers, while Vistry rose 2% to 1,294p and Bellway increased 2% to 3,920p. Barratt also increased despite its downgrade from BoA by 1.1% to 764.4p.

Price: 764.5

Market Cap: £1.66 billion

1 Year Share Price Graph



Share Information

Code: VTY

Listing: LSE

52 week High Low
1491.8 503.5

Sector: Builders and building materials

Website: www.vistrygroup.co.uk

Company Synopsis:

Vistry Group PLC is the new name for Bovis Homes, the UK housebuilder, after it acquired Linden Homes from Galliford Try.

With developments from Northumberland to Cornwall and Cheshire to Norfolk, Vistry Group will be delivering around 12,000 private and affordable homes a year across the country, making it one of the top five housebuilders in the UK by volume.

action@proactiveinvestors.com.au

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Contact us +61 (0)2 9280 0700 action@proactiveinvestors.com.au

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