

Berkeley Group

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Vistry upgraded by Citi as analysts "continue to see value" in UK housebuilders, but Barratt knocked down to 'neutral'

Vistry Group PLC (LON:VTY), previously known as Bovis Homes, has been upgraded to 'buy' from 'neutral' by analysts at Citi, who said there is still value among the UK's housebuilders despite a strong sector performance in 2019.

"We believe sector net assets are poised to grow [circa] +17% on an annualised basis...over the next three years, supported by modest volume growth, improving margin outlook and strong cash generation", the bank said in a note on Friday.

READ: Persimmon, Taylor Wimpey and Countryside top picks for Berenberg as housebuilders "open for business again" following December election
Analysts said the spring selling season was likely to be a "key catalyst for the sector" while improving buyer interest is expected to support volume growth further.

Citi said Persimmon PLC (LON:PSN), Redrow plc (LON:RDW) and Taylor Wimpey PLC (LON:TW.) were its top picks for the sector, it downgraded Barratt Developments PLC (LON:BDEV) to 'neutral' from 'buy' and stayed neutral on Berkeley Group Holdings PLC (LON:BKG).

READ: Tory election victory to provide boost for housebuilders, says Canaccord, except McCarthy & Stone
Persimmon is the housebuilder attracted most positivity among analysts, with both Canaccord Genuity and Berenberg also listing the firm among their top picks in sector notes this week.

The positive outlook for the sector has been mostly attributed to the Conservative victory in last month's election, which many say has restored certainty and attract more investment into the UK property market.

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Price: 3644

Market Cap: £4.25 billion

1 Year Share Price Graph



Share Information

Code: BKG

Listing: LSE

52 week	High	Low
	5562	3041

Sector: Real Estate

Website: www.berkeleygroup.co.uk

Company Synopsis:

The Berkeley Group Holdings PLC is engaged in residential and commercial property development focusing on urban regeneration and mixed-use developments.

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