



PRESS RELEASE

August 2020

Connells Group remains strong as it announces half year results

Connells Group today announces pre-tax profits of £17.2m (H1'2019: £26.2m) and EBITDA of £33.1m (H1'2019: £39.0m) in its interim results for the six months ended 30 June 2020.

Whilst the housing market started the year positively, the Group's performance was impacted significantly by the unprecedented implications of the Covid-19 pandemic. Nevertheless, Connells Group turned in a good profit during the first half of the year and remains in a strong position to weather whatever may lie ahead.

The national lockdown on 23rd March saw Connells Group's estate agency network, nearly 600 branches, close temporarily for two months and the housing market come to a standstill overnight. With virtually no transactional business during lockdown, house sales (exchanges) for the half year were 29% below the comparative period in 2019.

During this period, Connells Group immediately transitioned its workforce to full remote working and utilised technology to continue to provide a seamless service to customers, regardless of where colleagues are physically located. To protect the business and safeguard jobs for the long term, the Group made use of the Coronavirus Job Retention Scheme and placed the majority of colleagues on furlough, but went above and beyond the Government minimum, paying all its people 100% of their basic salary and commission throughout March, April, May, June and July. The business rapidly began planning for recovery to ensure a swift and safe return to operations as soon as the housing market restarted, ensuring stringent health and safety protocols were in place and all branches and corporate offices made 'Covid-19 Secure'.

“The majority of our management team have been with us for many years, with exposure to all types of markets in the past, but this unexpected public health crisis is incomparable to anything else we’ve ever experienced,” says Connells Group CEO David Livesey. “Through swift and decisive action and the implementation of mitigating and cost saving measures, our business has navigated itself effectively through the crisis and is well positioned for the future.

“We prioritise people at all times – be it our colleagues, customers, suppliers – ensuring their health, safety and wellbeing, minimising impact on them and delivering continuity of service,” says David. “We are incredibly proud of how our people have dealt with this changing and fast-paced situation, demonstrating their resilience and fortitude in the face of adversity, and the quality of our response.”

Connells Group saw a positive recovery on the initial reopening of the housing market, and this has continued into the summer. Compared with the same period last year, recent trading in July shows new applicant registrations and mortgage appointments up 37% and 56% respectively, and sales agreed up by 33%. Homeowners continue to show a desire to re-enter the market, with market appraisal activity up by 23% and new instructions increasing by 25%. The Stamp Duty Land Tax holiday will also provide further impetus to the market.

“Whilst some estate agents have been slow to reopen, some remain closed possibly never to reopen and with others reviewing their operating model, our own business has been responsive to the challenge with all high street branches now reopened and colleagues continue to return from furlough as business increases,” continues David. “Initial market conditions are better than we could have hoped for and, while we are mindful that the risks of an extremely tough market remain ever present, we are financially sound and agile to meet the challenges and opportunities ahead.”

- ends -

For further information about Connells Group contact:

Email: pr@connellsgroup.co.uk

Call: 01525 218536

About the Connells Group:

Founded in 1936 and comprising nearly 600 branches nationwide, the industry-leading Connells Group is the most profitable UK estate agency network. In addition to operating under the Connells brand, the Group trades under other well-known local names including Allen & Harris, Bagshaws Residential, Barnfields, Barnard Marcus, Brown & Merry, Fox & Sons, Jones & Chapman, Knight Partnership, Manners & Harrison, Roger Platt, Shipways, Swetenhams, William H Brown, Sharman Quinney, Burchell Edwards, Ashley Adams, Peter Alan, Rook Matthews Sayer, Paul Dubberley and Gascoigne Halman. As well as residential property sales and lettings, the Group has a comprehensive range of B2C and B2B services including new homes, mortgage services, conveyancing, EPCs, surveying, corporate lettings, asset management, land & planning, LPA receivers and auctions.

Visit: www.connellsgroup.co.uk

Follow us on Twitter @ConnellsGroup