

Demand for new homes remains strong, despite increasing cost pressures, says boss of Britain's biggest housebuilder

Britain's biggest housebuilder says demand for new homes remains strong, despite fears of increasing cost pressures.

The boss of Leicestershire-based [Barratt Developments](#) said the business has seen "strong and sustained" sales in the three-and-a-half months since July 1.

It comes on the back of results for the previous 12 months showing the group built more than 17,200 homes – up almost a third – with sales of £4.81 billion.

Barratt expects to complete between 17,000 and 17,250 homes this financial year, plus 750 homes through joint ventures.

The group, which includes [Barratt Homes](#), Barratt London, David Wilson Homes and the [Wilson Bowden](#) commercial property builder, said reservations were slightly down on previous months when there had been pent-up demand at the end of lockdown and people rushing to make the most of the Help to Buy scheme before it ended.

It expects build cost inflation of between 4 per cent and 5 per cent this financial year.

It said the private average selling price in its forward order book as at October 10, was £344,300, compared to £331,400 a year earlier and £316,000 a year before that.

Chief executive David Thomas said: "The positive start to the

new financial year has continued in recent weeks with private reservations remaining strong.

“This is particularly encouraging given the significant year on year reduction in Help to Buy reservations and the ending of the stamp duty holiday.

“We continue to work closely with our suppliers and sub-contractors and have not experienced any significant disruption to our build programme as a result of the challenging supply chain environment.

“We remain on track to deliver both our FY22 and medium term targets set out in the FY21 results, whilst maintaining our commitment to leading the industry in the quality and sustainability of our homes and in customer service, which we believe is fundamental to our ongoing success.”

Mr Thomas said built 3,699 new homes for the period, which was slightly down on the same time in 2021 when completions had picked up following the first lockdown.

He said: “Whilst the challenges around securing sufficient and timely building materials supplies is an issue across the industry, to date we have not experienced any significant disruption to our own build programme with our sites continuing to operate successfully throughout the country.”

He said construction activity remained in line with what they had expected, with an average of about 335 being built each week.

He said: “The group is in a very good position. We have both a substantial net cash balance and strong forward sales, as well as an excellent land bank and a continued focus on delivering operational improvements across our business, alongside our ongoing commitment to deliver high quality, sustainable homes across the country.

“Whilst there continues to be some macroeconomic uncertainty, the board believes that our strong financial position provides us with the platform and flexibility to react to any changes in FY22 and beyond.”

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