

# Housebuilder Persimmon toasts robust forward order book worth £2.8bn

Housebuilder Persimmon says it has a robust order book worth £2.8bn as demand continues to outstrip supply.

The York builder, founded by Northumberland businessman Duncan Davidson, issued a trading update for the period from January 1 to date, saying the firm is trading in line with expectations, on the back of strong demand.

Ahead of its AGM today, April 27, group chief executive Dean Finch said Persimmon was seeing positive momentum in outlet openings, and that the firm also welcomed being named as a five-star housebuilder for the first time in its history.

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Persimmon said it had a relatively low number of outlets coming into the year, of around 290, but that it has had an encouraging start to 2022 with trading in line with expectations.

Private average weekly sales rates are running 2% higher year on year, and demand for new homes continues to outstrip supply with good levels of customer enquiries and cancellation rates remaining at low levels.

The group's current forward sales position, including year to date legal completions, reflects the lower outlet position, at £2.8bn, down on last year's £3bn, but the average selling price for homes sold to private owner occupiers in the forward order book is £266,000, up on last year's average of £252,000.

Mr Finch said: "Persimmon continues to perform well. We are currently trading in line with expectations, demand remains

strong, our private average sales rates are circa 2% higher year on year and we have a robust forward order book of circa £2.8bn.

“As expected, reflecting the profile of outlet openings, we anticipate that completions this year will be weighted towards the second half, with first half completions being lower than those delivered in the first half of 2021. We continue to expect to deliver volume growth for the full year 2022 of around 4-7% of 2021 levels, with resilient industry-leading margins.

“We were delighted to be awarded a five-star rating in the annual HBF survey for the first time in our history and are determined to continue to build on this excellent progress, delivering high quality homes consistently to our customers.

“Earlier this month we signed the Government’s pledge on cladding removal and fire safety remediation, the principles of which are consistent with the commitment we announced over a year ago. As such, we continue to believe the £75m provision we have already set aside remains appropriate.

“The UK housing market remains supportive and Persimmon is well-placed for the future, with a strong and experienced senior management team, positive momentum in outlet openings, improving build quality and customer service and growing land holdings with industry-leading embedded margins. While we remain mindful of current uncertainties, particularly regarding consumer confidence, rising interest rates and the impact of the tragic conflict in Ukraine, the Board is confident of the Group’s future disciplined growth and success.”

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