

# Keepmoat joins developer rivals in optimism about housing market

Confidence is creeping back into first time house buyers, the boss of a prominent housebuilder's North East business has said.

Ian Worgan, the regional managing director of Keepmoat, says the firm is optimistic in 2024 as it reads positive signals in the early part of the year driven by easing affordability issues and falling inflation. The North East arm of the Doncaster-based builder, which specialises in mainly two-three bedroom homes, says it has been insulated from some of the turmoil experienced by big brand, high-volume contemporaries thanks to its ability to switch tenures to suit the market.

Speaking to BusinessLive, Mr Worgan said: "What we're seeing at the moment is roughly at the levels we thought it would come back at. It was very slow towards the back end of last year but I think my sales director described the market as warm. I think we're quite optimistic going forward because we know there are new mortgage products coming out that will effectively assist in terms of reducing interest rates initially for first time buyers.

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"We also know that interest rates are starting to stabilise and come backwards. Inflation is coming down and I think, what we're finding is that a little bit more consumer confidence has returned. People are now actively looking and our

reservations have been quite strong – it's roughly where we would have expected them to have been for the start of the year.

“Our year end is October and obviously everything quietens off for Christmas but it's sort of recovered quite nicely. I think all of the housebuilders are finding that. It's not that the market's going mad but I think it's steady. There are elements on larger products where it's taking longer to sell but that doesn't really impact on us.”





Ian Worgan, North East regional managing director at Keepmoat.  
(Image: Keepmoat)

The comments follow downcast results from major developers such as Barratt and Bellway, which have reported falling completions amid waning confidence thanks to higher mortgage costs, inflation and supply issues in the wake of the Liz Truss Government's mini-Budget. While a full scale housing crash may have been avoided, nationally the number of new homes planned by builders has fallen severely according to data from the National House Building Council.

But Mr Worgan, who expects the larger builders to ramp up again, says Keepmoat's volumes in the North East have remained fairly consistent in the six years he has been with the firm. Historically, around 80% of the firm's volume has come from local authority or Homes England style land, supplemented with private land. Some of that has come via joint venture partnerships with councils.

He said: "We've found that over the past 12 months all of the major housebuilders' volumes have declined, whereas ours have remained fairly flat. That's because we flex the tenure into elective style deals with affordable housing providers to give us forward guaranteed sales. I think we've weathered the last 12 months quite well.

"When we're looking at sites we'll probably go for the more technically challenging sites which have issues that we then work to address."

An extreme example of Keepmoat's appetite for land requiring remediation is its work at Beaconsfield Park in Cramlington, a site the firm purchased from Northumberland County Council 10 years ago. The former opencast mining area had ground issues that could have cost up to £10m to make viable but which Keepmoat says it brought down, with the firm now two years into delivery at the development.