

# Vistry plans to axe 200 jobs amid UK housing market slump

Housebuilder Vistry Group has detailed plans to shed around 200 jobs, as it joins rival firms in warning over weaker demand in the housing market.

The London-listed company said the need for affordable homes is continuing to boost part of its business, and in a trading update said it was targeting adjusted profit before tax of £450, for the year. The firm, which has its headquarters Kent, noted that it was seeing “continuing demand” for mixed tenure affordable homes from registered providers, local authorities and the private rented sector.

“We continue to make good progress on the remaining multi-unit transactions expected to be completed in the year,” it added.

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However, there was a slowdown in open market private sales during the summer months due to the higher interest rate environment and inflationary cost pressures on household income.

In an update to investors Vistry said: “This trend has continued and we have not seen the seasonal increase in private sales since September that we had expected.”

Elsewhere, the group said average weekly sales rate since July 1 has been 0.60, a drop of 0.04 from the previous year and 0.76, compared to 0.77 in 2022, for the year to date. The Group’s forward order book totals £4.3bn with 100% of private units for FY23 forward sold.

The update comes after rival builders Bellway and Barratt

Developments both warned over a slump in demand this month, having seen a drop in weekly reservations of new homes. Last month, Vistry unveiled plans to merge its housebuilding division with its affordable homes business Partnerships, through which it works with local government authorities and housing associations to build lower-cost homes.

The restructuring is set to shave about £40m off its full-year adjusted pre-tax profit, from £450m to an expected £410m. The group will operate as a single business with 27 regional business units, a reduction from 32, and the group's overall headcount will reduce by circa 200 as a result of this restructuring," it said.

The group did not detail where jobs will be cut. Vistry operates a number of regional offices around the country across its housebuilding and country partnership divisions.

Vistry expects to make about £25m in savings a year as a result of the merger, which it said will increase the building of "much-needed" affordable homes across the country. Vistry previously acquired Countryside Partnerships for £1.27bn, which resulted in around a 4% reduction in the number of full-time staff.