

Yorkshire housebuilder MJ Gleeson sees profits fall amid market slowdown

Housebuilder MJ Gleeson has reported substantial falls in operating profit across its homes and land divisions, following similar reports from larger rivals.

The Sheffield-based plc said a lower forward order book and weaker sales after last year's mini budget had contributed to a 19.1% fall in operating profit to £18.2m within its homes division. In a report on the half year to the end of December 2022 the firm said it had undergone restructuring of the division and had carefully managed site acquisitions, site starts and build activity to "maintain growth ambition".

And in Gleeson's land division, operating profits fell 74.5% to £1.4m as one sale was completed during the period in comparison with three in the first half the year before. Despite the drop, the firm said it had three sites currently being sold with strong demand and consistent pricing.

Read more: [Hull City plans ambitious £25m 'sports village' investment programme](#)

Investors were told that despite some recovery in reservations in the past four weeks, levels remained below where the firm would expect them at this time of the year. Gleeson had also downgraded its completions target to between 1,650 and 1,850 homes for the full year.

CEO Graham Prothero, who took over from James Thomson at the end of 2022, said: "I am delighted to have taken up my role as CEO and, as I continue to embed myself in the business, am hugely impressed with our talented and committed colleagues, our excellent product, exciting land pipeline and, above all,

our team's enthusiasm for our ethos of 'Building Homes. Changing Lives.' We have an exciting opportunity to take Gleeson to the next level by delivering sustainable growth over the medium-term, across both our Homes and Land divisions.

"At the same time as managing through the lower levels of current market demand, I want to ensure that the group is in the best possible shape to take advantage of the recovery which we are beginning to see early signs of. Building on the strong platform I have inherited, my focus is on optimising our organisational structure and making us more operationally efficient and fit for further growth. This will also result in significant annualised savings of circa £4m.

"In terms of guidance: confidence, underpinned by improved mortgage rates, is slowly returning to the market, evidenced by improving net reservations. With full-year volumes dependent on the pace of recovery, we now expect to deliver between 1,650 and 1,850 homes."

Gleeson's results are the latest in a series of downbeat reports from housebuilders including [Bellway](#) and [Barratt](#).

READ NEXT:

- [The Lovely Gift Group secures £300,000 investment to grow](#)
- [Former casino transformed into creative workspace Department Leeds Dock](#)
- [Velocys chief executive underlines 'solid platform to deliver' on global green jet fuel ambition](#)
- [Downturn shallow as new year sees slight drop in regional business activity](#)
- [Read more Yorkshire & Humber business news here](#)