

Berkeley Group to take 'cautious' approach as sales drop

Housebuilder [Berkeley Group](#) has said it is taking a "cautious" approach to releasing new phases of developments to the market amid continued "volatility" in the UK property sector.

The company nevertheless kept its outlook for the financial year unchanged.

It told shareholders on Friday sales since the end of September have been around 25% lower than the "strong" first five months of the financial year.

The sales drop comes amid a backdrop of higher interest rates affecting mortgages and increased costs for potential property buyers.

In a statement, the firm said: "This is a resilient performance in the context of the market volatility since the end of September and reflects the underlying demand for quality homes in [London](#) and the South East."

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[Berkeley](#) said it has seen sales pricing remain “firm” in recent months and “above business plan levels” despite pressures in the market.

The housebuilder stressed that it is focused on cost control and reports that build cost inflation has shown “early signs of moderating”.

The company added: “Whilst the prevailing volatility in the market persists, Berkeley will continue to match supply to demand, adopting a cautious approach to releasing new phases to the market as we focus on the quality of our forward sales.”

Berkeley is on track to deliver pre-tax earnings of approximately £600 million for the year ending April 30.