

Crest Nicholson re-ups profit forecasts as housing market booms

Crest Nicholson gave another lift to profit forecasts today as it backed the booming [housing market](#) to cope with September's end of stamp duty relief.

The [company](#), which is focused on building new [homes](#) in the [Midlands](#) and [South-East England](#), said sales rates and [prices](#) were back above pre-pandemic levels as changing work patterns and lifestyle choices continue to fuel strong demand.

The [Chancellor's](#) extended stamp duty holiday and introduction of government-backed 95% [mortgages](#) have also helped the [industry](#) weather the initial Covid-19 shock.

Crest's sales rates have steadily increased since January, meaning revenues jumped 35% to £324.5 million and adjusted profits surged to £36.1 million in the six months to April 30.

It raised full-year profit forecasts in March and has done so again today after issuing new guidance for profits of at least £100 million, helping shares up another 4% or 15.8p to 446.2p.

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Chief executive Peter Truscott pointed out that strong demand for homes scheduled to complete beyond the September 30 stamp duty deadline had boosted hopes that the transition from Government support “can be managed smoothly”.

Truscott said Crest had made excellent progress strengthening its balance sheet and improving operational efficiency during the first phase of a turnaround plan.

However, he warned pressure from delays and shortages in labour and materials caused by the pandemic had intensified at the start of the second half, resulting in longer lead times and significant price increases for some building products.