

Crest Nicholson sees recovery in house sales, but warns some buyers need support

Housebuilder [Crest Nicholson](#) has warned that recent turmoil in mortgage markets is creating further differences between people with and without a lot of equity who are trying to buy a house.

The business said that because fewer people were buying homes, mortgage lenders were competing for customers with higher levels of equity and offering “competitive rates”.

“However, those with lower levels of equity are unsurprisingly finding it harder to purchase their first home and making it on to the housing ladder,” it said on Thursday.

“[Support](#) for these potential buyers, in a higher interest rate environment, is going to be necessary if we are to see a full recovery in the housing market.”

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It came as the business reported a significant rise in the number of house sales it was making.

In the 11 weeks from the start of January the business said it sold an average of 0.52 homes per outlet per week – a key measure for the building industry.

This is much higher than the 0.35 sales the 11 weeks from the start of November, indicating some added strength in the housing market.

“The most likely economic scenario we articulated back in January continues to be realised as average selling prices have remained robust with an enduring lack of housing supply,” Crest said.

“The market is clearly softer than the previous two years of trading, however it remains resilient.

“Mortgage rates have progressively reduced as the outlook for future interest rate rises and general economic stability have both become more favourable since the start of our trading year.”

The builder said that prices of raw materials are still rising in some areas, but starting to fall in others.

It expects the high single-digit percentage inflation it was seeing in build costs to recede this year.