

London is back and booming, but housing shortage to worsen warns Berkeley

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IBRANCY has returned to [London](#) says leading home-builder [Berkeley](#) but the undersupply of [housing](#) in the [capital](#) is set to increase.

As it reported a 2.9% rise in profits for the year to £518 million, CEO Rob Perrins issued a love letter to the [city](#).

He said: “London is one of the world’s greatest open and welcoming cities and it has been wonderful to witness its vibrancy returning over recent weeks, with the gradual lifting of restrictions. People thrive on its energy, opportunity and unparalleled attributes.”

Berkeley has £1.1 billion of cash on hand to invest in future developments – shareholders are to see £450 million handed back to the them this year.

Inquiries for homes in London are at pre-pandemic levels, suggesting talk of an exodus to the country are well over-played.

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caution is key

The company said: "In the short-term the undersupply in London looks set to worsen, despite current completions in the Capital having reached their highest annual level at 42,000 net additional dwellings."

Perrins says inflation is evident in the supply chain, but thinks that will work its way through. Berkeley remains busy.

"We managed to work our way through the pandemic, that is why managed to maintain our profit levels," said Perrins. "We are very much invested in London remaining a world city."

Berkeley secured six new planning consents in the year; Malt Street in Southwark for 1,350 homes, Silk Park, Barnet for 1,300 homes, Eight Gardens in Watford for 1,200 homes and at Plumstead for 1,750 homes, alongside two other consents for a St Joseph site at Stratford-Upon-Avon and a site at Hildenborough in Kent.

The company added: "London's housing need is now 94,000 per year. Over the last three years an average of 37,000 per year was delivered, an annual shortfall of 57,000 homes."

Anthony Codling at property analysis firm Twindig said: "Very few companies could deliver the results Berkeley Group has in the year ending 30 April 2021. In a period covering lockdowns one, two and three, Berkeley Group has grown revenue, grown profits and increased the number of homes it sold. We may have embraced working from home, but it appears that not all are leaving London and the South East in search of a rural idyll. Looking ahead, Berkeley has a very strong Balance Sheet, a strong order book and more than £1 billion of cash in the bank. If Berkeley were playing in Euro's it would be Berkeley 1 Pandemic nil."

Berkeley lost founder, chairman and industry legend Tony

Pidgley to a stroke last year.