Barratt Redrow

15 July 2025

# Solid performance in a challenging market & integration progressing well

Barratt Redrow plc (the 'Group') is today issuing a trading update for the 52 weeks ended 29 June 2025 (the 'year' and 'FY25') ahead of publication of its annual results on 17 September 2025. Comparatives are to the year ended 30 June 2024 ('FY24') unless otherwise stated.

**David Thomas, Chief Executive, commented:**

"Against a challenging market backdrop, we have delivered a solid performance this year. Our adjusted profits are in line with market expectations, despite home completions being slightly below our guided range, mainly due to the impact of fewer international and investor completions than expected in our London businesses. We are already seeing tangible benefits from the Redrow acquisition, with cost synergies being delivered ahead of schedule, a new divisional structure in place and revenue synergies progressing well.

Although demand during the year has been impacted by consumer caution and mortgage rates not falling as quickly as hoped, there remains a long-term structural under-supply of housing in this country. Our increased scale, three market-leading brands and strong land pipeline put us in a unique position to rapidly accelerate volume delivery as consumer confidence strengthens and the benefits of planning reform materialise at a local level. We remain confident in our medium-term ambition to deliver 22,000 high-quality homes a year, and in the long-term demand for our high-quality homes."

## Highlights

- Net private reservations per active sales outlet(1) per week of 0.64 (FY24: 0.58$^{R}$ and 0.55$^{A}$) including 0.08 (FY24: 0.08$^{R}$ and 0.06$^{A}$) from the private rental sector and other multi-unit sales.
- Total home completions for FY25 were 16,565 (FY24: 14,004$^{R}$ and 17,972$^{A}$) including 538 from JVs (FY24: 536$^{R\&A}$).
- Adjusted profit before tax and before Redrow purchase price allocation ('PPA') adjustments, expected to be in line with market expectations(2), reflecting some margin improvement and initial cost synergies.
- Performance also underpinned by our strong balance sheet position with year-end net cash, ahead of our expectations at c.£772m (30 June 2024: £868.5m$^{R}$ and £1,164.5m$^{A}$).
- Estimated adjusted item charges are expected to be c.£229m (FY24: £214.5m$^{R}$, £222.5m$^{A}$). Estimated second half charges consist of legacy property charges of c. £98m, acquisition related reorganisation and restructuring costs of c. £52m and CMA commitments costs of c. £29m.
- Adjustment to the Redrow opening balance sheet fair value to reflect £150m of legacy property liabilities in relation to reinforced concrete frame. Net of deferred tax, goodwill has increased by c. £106m.
- Integration is continuing at pace with our new divisional structure in place. We have confirmed £69m of cost synergies against our target of at least £100m. Approximately £15m of cost synergies are included in FY25 profits with a further benefit of £45m expected in FY26.
- 115 Pride in the Job awards received, more than any other housebuilder for the 21st consecutive year.
- In FY26, reflecting current market conditions and a revised expectation of broadly flat average sales outlets, we anticipate total home completions in a range of 17,200 to 17,800, including c. 600 completions from our JVs.

## Our long-term growth strategy

Following the acquisition of Redrow, and the strong progress we have made on integration, we have a clear strategy to leverage our position as an exceptional UK homebuilder to deliver growth and maximise shareholder returns. With our unrivalled record on quality, service and sustainability, in addition to our robust financial position and long-standing partnerships, we are well-placed to significantly increase volumes, with a clear target to deliver around 22,000 homes per year in the medium term. We are confident that the strength of our three leading and differentiated brands, our nationwide footprint, our strong land pipeline and our deep operational experience and expertise, position us strongly to deliver against this ambition.

## Trading

***Reservation rates***

Our net private reservation rate per active outlet per week in FY25 increased by 16.4% to 0.64 when compared with the aggregated performance of 0.55[A] for Barratt and Redrow in the comparable period (FY24: 0.58[R]). This included a contribution of 0.08 (FY24: 0.08[R] and 0.06[A]) from reservations into the private rental sector ('PRS') and other multi-unit sales (Appendix 1).

In addition to our ongoing strategic partnership with Lloyds Living, reservation activity was complemented by sales to a growing portfolio of PRS partners. Overall, we successfully secured 1,693 (FY24: 1,452[R]) private reservations through PRS-related activity and the strength of our relationships with Registered Providers ('RPs) and other multi-unit investors, which supported total private completions in FY25 and our forward order book.

We have seen some improvement in mortgage market competition and availability but underlying private sales activity has remained sensitive to consumer caution, driven by the economic backdrop and the ongoing affordability challenges faced by homebuyers. The London housing market has been particularly challenging with weak demand from both domestic and international homebuyers. Across the Group, the improved reservation rate during the first half was broadly maintained through the second half of the year while pricing and incentive levels across the two periods remained similar.

***Sales outlets***

As expected, we operated from an average of 405 (FY24: 346[R], 443[A]) active sales outlets during FY25 (including 10 JVs (FY24: 9[R&A])). At 29 June 2025 we were operating from 407 (30 June 2024: 326[R] and 446[A]) active sales outlets (including 10 JVs (30 June 2024: 10[R&A])).

We remain positive about the medium-term planning outlook, however the recent planning reforms are taking time to be fully embedded at a local planning authority level and continuing adverse planning decisions and delays mean that we now anticipate average sales outlets, including JVs, will be broadly flat in FY26.

***Home completions and ASPs***

Total home completions (including JVs) reduced by 7.8% to 16,565 from the aggregated comparable of 17,972 in FY24 (FY24: 14,004[R]), (Appendix 2). While home completions declined 12% in the first half, the stronger order book entering the second half and solid reservation rates helped limit the overall reduction in the second half to 4.7%. In Q4, we saw lower than expected completions at several of our sites in London, primarily driven by international customers and PRS investors. This resulted in total home completions being slightly below our guided range for the year.

The total average selling price ('ASP') for the year was c. £344k (FY24: £306.8k[R] and £323.4k[A]), with the private ASP increasing by c. 2.8%[3] to c. £380k (FY23: £343.9k[R] and £369.5k[A]). The affordable ASP was c. £179k (FY24: £165.3k[R] and £176.0k[A]).

***Order book***

Our forward sales position has continued to improve during FY25, with total forward sales (including JVs) of £2,921.6m at 29 June 2025 (30 June 2024: £1,912.3m[R] and £2,642.8m[A]), equating to 9,835 homes (30 June 2024: 7,239[R] and 9,426[A]). At 29 June 2025, 67% of these homes (30 June 2024: 73%[R] and 71%[A]) were contractually exchanged (Appendices 3 and 4).

***Build cost inflation***

We experienced broadly flat build cost inflation in FY25, in line with our guidance at the start of the year and we currently estimate build cost inflation of between 1% and 2% in FY26, including the benefit of procurement synergy savings. We will continue to work collaboratively with our supply chain partners to secure both sustainable and competitive pricing, whilst realising the synergy benefits of the combined Barratt Redrow business.

**Redrow integration progress**

In line with our plans, the closure of the nine divisional offices across both business is largely complete, with operational leadership aligned from 30 June 2025. During FY26, Barratt Redrow will operate from 32 housebuilding divisions across the country with the capacity to deliver 22,000 homes per annum in the medium-term.

The integration and synergy activities across our head office functions are progressing well. The transition of the Redrow business onto Barratt systems is also now underway and anticipated to be completed during FY26. Finally, our procurement programme continues to gain momentum as we seek to both harmonise buying terms and ensure the purchasing scale of Barratt Redrow is optimised, unlocking the targeted synergies.

We have confirmed c. £69m of cost synergies and we are well on the way to achieving our previously upgraded cost synergy target of at least £100m. We estimate the cost synergies crystallised within FY25 performance totalled c. £15m, ahead of our October 2024 target of c. £10m. We anticipate c. £45m of incremental cost synergies will be crystallised in our FY26 performance. We now expect Redrow reorganisation and restructuring costs will be around £90m.

With respect to revenue synergies, we have now submitted 16 planning applications for incremental sales outlets from the combined Barratt Redrow land bank, and we are pleased to have already secured planning approval on 5 of these. With progress to date, we remain confident in delivering 45 incremental sales outlet openings by the end of FY28.

**Continuing leadership in quality and sustainability**

Our commitment to industry-leading build quality and customer service is more important than ever given the challenging market. The high standard of build quality across our sites has been recognised again through the NHBC Pride in the Job Awards for build quality and site management with our site managers across the enlarged Group achieving 115 awards in June 2025, more than any other housebuilder for the 21st consecutive year.

These awards complemented the recognition of our focus on quality and customer service by our customers who awarded us the maximum 5 Star rating in the HBF customer satisfaction survey for the 16th successive year, a unique record amongst the major housebuilders.

Our industry-leading sustainability performance also continues to be recognised, with the Group maintaining its position as the only UK housebuilder in the CDP's Global Climate Change Corporate A List for Leadership and recently being named one of the World's Most Sustainable Companies of 2025 by TIME, one of only nine construction companies globally, and the only UK housebuilder, to be included.

**Land**

While we have maintained our disciplined approach to land approvals throughout FY25, a greater choice of development sites coming to market and the potential of the positive planning reforms introduced has seen our land approval activity increase, with net approval of 108 sites in the year (FY24: 58[R]). Overall, this land activity created 22,530 approved plots in the year (FY24: 12,439[R] plots) (Appendix 5). Our cash spend on land increased to c. £860m (FY24: £674.3m[R]).

**Balance sheet, liquidity and shareholder returns**

The Group remains in a strong position with substantial cash and additional liquidity. At 29 June 2025, the Group held net cash of c. £772m (30 June 2024: £868.5m[R] and £1,164.5m[A]) and an undrawn committed revolving credit facility of £700m, extended during the year to mature in November 2029.

Land creditors at the end of the financial year totalled c. £810m (30 June 2024: £472.8m[R] and £633.8m[A]) and equated to c. 16% (30 June 2024: 14.6%[R] and 13.3%[A]) of the owned land bank.

The Board intends to declare an ordinary dividend, in line with stated policy, with dividend cover of 1.75 times adjusted FY25 earnings per share before PPA fair value adjustments. Our share buyback approach remains unchanged, with £50m completed in H2 FY25 as planned and the next £50m tranche of the programme due to begin shortly as part of our commitment to a minimum level of £100m per annum.

**UK Competition and Markets Authority ('CMA') investigation**

As we announced on 9 July 2025, Barratt Redrow along with six other UK housebuilders have proposed voluntary binding commitments as part of the CMA's ongoing investigation in the housebuilding sector. The proposed commitments include making a collective payment of £100m to be disbursed to the affordable housing programmes in England, Scotland, Wales and Northern Ireland. Barratt Redrow's share of this payment is expected to be c. £29m and is recognised as an adjusting item in FY25.

The offer of voluntary commitments does not constitute an admission of any wrongdoing by Barratt Redrow and nothing in the commitments may be construed as implying that Barratt Redrow agrees with any concerns expressed by the CMA in the investigation, but we welcome the CMA's consultation on the voluntary commitments and will continue to work constructively with the CMA throughout the process.

**Building Safety**

We continue to maintain our industry-leading approach when it comes to investigating historic building safety issues, and funding or undertaking any necessary remediation, ensuring full transparency about the progress and expected costs.

There has been no change to the regulatory framework in Scotland, and the external wall provision for Scottish developments is recorded on the same basis as England and Wales. This will be determined when the final contract with the Scottish Government is signed.

**Adjusted items**

Estimated adjusted items recognised in the year totalled c. £229m (FY24: £214.5m[R] and £222.5m[A]). The annual charge included first half charges of £49.9m, relating to Redrow transaction costs (£35.5m) and initial restructuring and integration charges (£14.4m). Adjusting item charges for FY25 consisted of:

- Costs and fees incurred in respect of the acquisition of Redrow plc of c. £36m (FY24: £22.4m[R] and £30.4m[A]);
- Estimated reorganisation and restructuring costs related to unlocking cost synergies from the acquisition of c. £66m (FY24: £nil[R&A]);
- CMA commitments cost of c. £29m (FY24: £nil[R&A]); and,
- Additional charges of c. £98m (FY24: £192.1m[R&A]) in respect of legacy property related costs which are detailed below.

**Legacy property related costs**
Additional legacy property liabilities totalling c. £248m have been recognised as adjusting items and a revision to the Redrow opening balance sheet at the acquisition date reflecting new issues arising in the second half of the year.

Cost estimates for the EWS portfolio remained broadly stable during the second half, with an increase in costs of c. £16m which was offset by an equivalent amount of cost recoveries. However, estimated costs of c. £98m have been recognised in the second half in relation to two specific developments:

- In our Southern region, we identified fire safety related issues at a development involving four buildings which were completed in 2002. The remediation and associated costs with respect to these four buildings are estimated to be c.£80m.
- Additional costs of c. £18m have been recognised relating to a number of newly identified issues at a large development in London which was already part of our EWS provision, including both fire safety and reinforced concrete frame design remediation costs.

As we highlighted at the half year, a review of Redrow's portfolio of reinforced concrete frame buildings was in progress, leveraging our experience of these issues over recent years. As a result of these investigations, we expect to have to complete remediation works at up to five Redrow developments in London. Based on our initial estimates, we have revised the fair values of inventories and provisions, as appropriate, at the acquisition date by c. £150m which results in a net adjustment to goodwill of c. £106m net of deferred tax.

We continue to actively seek to recover costs from third parties in respect of issues around fire safety and reinforced concrete frames. On 21 May 2025, the Group won a landmark Supreme Court case which clarified the responsibility of companies in the supply chain for remediating defects in developments they were involved in. This ruling made it clear that all parts of the industry need to take responsibility and that developers shouldn't be penalised for proactively taking action to support leaseholders and residents in advance of litigation.

**Outlook**
We have delivered a solid operational performance in what has been another challenging year and, as a result, we expect to deliver FY25 adjusted profit before tax and before PPA adjustments in line with market expectations(2). We are executing the integration of Redrow at pace, we have a strong balance sheet and a solid forward sales position, and we believe we are well positioned as we enter FY26.

Homebuyer confidence remains fragile and mortgage rates remain high compared to recent years but there remains a long-term under-supply of new homes and we have seen some increases in mortgage market competition and availability. Reflecting current market conditions and the broadly flat expected position with respect to average sales outlets, we anticipate total home completions, including JVs, will be in a range of 17,200 to 17,800 in FY26, including c. 600 completions from our JVs.

We remain encouraged by the Government's focus on housebuilding and in particular its reforms of the planning system which, in time, should have a significant positive effect. However, to see housebuilding volumes accelerate and reach the numbers needed to tackle our housing crisis, Government needs to also address demand-side constraints on private home buyers. We welcome the recent announcements in the Spending Review which should support affordable housing demand from Registered Providers.

As planning policy reforms are implemented at a local, practical level, we are confident that we are in a uniquely strong position to accelerate volume delivery through our three leading brands, and we remain confident in our medium-term ambition to deliver 22,000 high-quality homes a year.

**This trading update contains certain forward-looking statements about the future outlook for the Group. Although the Directors believe that these statements are based upon reasonable assumptions, any such statements should be treated with caution as future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.**

**Notes:**

**R. Reported and denotes a Barratt Developments PLC Group ("Barratt Group") reported metric based on the standalone performance of the Barratt Group in the comparable reporting period.**
**A. Aggregated and denotes an aggregated metric based on the reported performance of the Barratt Group in the comparable reporting period 1 July 2023 to 30 June 2024 and includes the performance of the legacy Redrow plc group ("Redrow Group") from 23 August 2023 to 30 June 2024, to provide comparability on operational and financial performance. Redrow Group data is based on Redrow plc's standalone accounting policies and therefore excludes any impact of policy alignments made since the acquisition. Aggregated adjusted measures are also presented, prepared on the same basis. The aggregated value comparatives have not been audited or reviewed by Barratt Redrow plc's auditors.**

1. **Unless otherwise stated, all figures quoted exclude joint ventures (JVs).**
2. **Based on Barratt Redrow plc collated consensus of 15 analysts' forecasts of adjusted profit before tax and PPA charges of £582.6m.**
3. **Percentage change compared with aggregated comparator.**

**Conference call for analysts and investors**
David Thomas, Chief Executive Officer and Mike Scott, Chief Financial Officer, will be hosting a conference call at 08:30am today, Tuesday 15 July 2025, to discuss this Trading Update.

**To access the conference call please register through the following link: here**

A recording of the conference call and question and answer session will be available on our website later today.

**For further information, please contact:**


**Barratt Redrow plc**

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**Financial reporting calendar**
The Group's next scheduled announcement of financial information is the FY25 full year results announcement on Wednesday 17 September 2025.

# Barratt Redrow

## Appendices:

| 1. Net Private Reservation Rate | FY25<br>1 July 2024 – 29 June 2025 | Barratt Redrow[A] FY24<br>1 July 2023 – 30 June 2024 | Variance (%) | Barratt<br>1 July 2023- 30 June 2024 |
|---|---|---|---|---|
| | **0.64** | **0.55** | **16.4%** | **0.58** |
| - of which PRS and other MUS | *0.08* | *0.06* | *33.3%* | *0.08* |
| **- excluding PRS and other MUS** | ***0.56*** | ***0.49*** | ***14.3%*** | ***0.50*** |
| **Average active sales outlets** | ***395*** | ***434*** | ***(9.0%)*** | ***337*** |

| 2. Completions (homes) | FY25 | Barratt Redrow[A] FY24 | Variance | Barratt[R] FY24 |
|---|---|---|---|---|
| **Total private completions** | **13,129** | **13,285** | **(1.2%)** | **10,666** |
| **Of which private exc. PRS and other MUS** | **11,824** | **11,421** | **3.5%** | **8,851** |
| PRS | 878 | 1,048 | (16.2%) | 1,048 |
| Other MUS | 427 | 816 | (47.7%) | 767 |
| **Affordable** | **2,898** | **4,151** | **(30.2%)** | **2,802** |
| **Wholly Owned** | **16,027** | **17,436** | **(8.1%)** | **13,468** |
| JV | 538 | 536 | 0.4% | 536 |
| **Total** | **16,565** | **17,972** | **(7.8%)** | **14,004** |

| 3. Forward sales | 29 June 2025 | | 30 June 2024[A] | | Variance (%) | |
|---|---|---|---|---|---|---|
| | £m | Homes | £m | Homes | £m | Homes |
| Private | 1,897.3 | 4,781 | 1,736.4 | 4,505 | 9.3% | 6.1% |
| Affordable | 825.1 | 4,499 | 758.7 | 4,530 | 8.8% | (0.7%) |
| **Wholly Owned** | **2,722.4** | **9,280** | **2,495.1** | **9,035** | **9.1%** | **2.7%** |
| JV | 199.2 | 555 | 147.7 | 391 | 34.9% | 41.9% |
| **Total** | **2,921.6** | **9,835** | **2,642.8** | **9,426** | **10.5%** | **4.3%** |

| 4. Forward sales roll | Barratt | | Redrow | | Barratt Redrow | |
|---|---|---|---|---|---|---|
| | Private | Total | Private | Total | Private | Total |
| **30 June 2024** | 3,386 | 7,239 | 1,119 | 2,187 | | |
| Reservations | 1,152 | 1,260 | 435 | 436 | | |
| Completions | (568) | (668) | (196) | (261) | | |
| **21 August 2024** | **3,970** | **7,831** | **1,358** | **2,362** | **5,328** | **10,193** |
| Reservations | 9,396 | 12,318 | 2,618 | 3,221 | 12,014 | 15,539 |
| Completions | (9,681) | (12,377) | (2,880) | (3,520) | (12,561) | (15,897) |
| **29 June 2025** | **3,685** | **7,772** | **1,096** | **2,063** | **4,781** | **9,835** |

| 5. Barratt Redrow - Land approval movements | Number of sites | | | Number of plots | | |
|---|---|---|---|---|---|---|
| | HY1 FY25 | **HY2 FY25** | **FY25** | HY1 FY25 | **HY2 FY25** | **FY25** |
| **Approved or amended** | 45 | **67** | **112** | 7,727 | **15,316** | **23,043** |
| **Cancelled** | - | **(4)** | **(4)** | - | **(513)** | **(513)** |
| **Net approvals** | 45 | **63** | **108** | 7,727 | **14,803** | **22,530** |