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Barratt Southampton Sees Steady Gains Amid Testing Property Market

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Despite ongoing pressures in the UK housing sector, a Hampshire-based housebuilding division has posted a steady financial and operational performance.

Barratt David Wilson Homes Southampton, part of the recently merged Barratt Redrow group and operating from Hedge End, shared its trading update for the 52-week period ending June 29. The division is behind developments such as Pebble Walk on Hayling Island and Harbour Place in Bedhampton, and has reported improved weekly reservation rates and a resilient financial outlook.

The company recorded a net private reservation rate of 0.64 per active outlet per week, a modest rise from 0.58 the previous year. This shows a slight uplift in customer activity despite broader market uncertainties. Across the group, 16,565 homes were completed during the year, including 538 through joint ventures.

Group-wide, adjusted profit before tax is forecast to meet current market expectations. This outcome has been supported by margin improvements and early cost savings stemming from the acquisition of Redrow. Barratt Redrow also reports a robust financial position, ending the financial year with an estimated net cash reserve of around £772 million.

The company has set aside approximately £229 million in adjusted item charges. These cover legacy property-related costs, integration and reorganisation expenses linked to the Redrow merger, and charges related to the Competition and Markets Authority's (CMA) undertakings.

The Redrow deal, completed earlier this year, has already started delivering efficiency benefits ahead of schedule. A restructured divisional set-up and the early stages of revenue synergy have added to the group's confidence moving forward.

Matthew Paine, managing director at Barratt David Wilson Homes Southampton, commented on the performance: "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."

Consumer confidence remained subdued throughout the year, with many potential buyers hesitant due to slower-than-anticipated drops in mortgage interest rates. These market conditions, which have persisted since the Bank of England began tightening monetary policy in recent years, continue to affect sales volumes, especially in urban centres like London.

Nonetheless, Paine noted that the UK's housing shortfall is still a key driver for long-term growth, saying: "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."

While short-term market headwinds persist, Barratt's focus on disciplined cost control, forward land planning, and strategic acquisitions has laid a firm foundation for the years ahead. The developer remains one of the UK's largest housebuilders and continues to emphasise build quality and long-term supply to meet growing demand.