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Barratt Redrow Misses Annual Completion Target Amid Sluggish Buyer Activity

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Britain's largest housebuilder, Barratt Redrow, has reported 16,565 home completions for the financial year ending 29 June 2025, falling short of its earlier guidance of between 16,800 and 17,200. The company attributed the shortfall largely to weaker demand in London, particularly from international and investor buyers.

Sales performance in the capital lagged behind other UK regions, with affordability constraints and persistently high mortgage rates dampening activity in the private rented sector and among overseas purchasers. While the company continues to deliver stable output across regional markets, its London portfolio has proven more vulnerable to wider economic pressures.

As the figures were released, Barratt Redrow shares saw a sharp decline, falling nearly 13% at one point, their steepest single-day drop since October 2022. Despite market reaction, the group remains on track to meet its adjusted pre-tax profit forecast of around £582.6 million.

Chief Executive David Thomas said the underperformance was not a result of structural or supply-side issues, but rather a reflection of external market conditions. He highlighted affordability in London as a key challenge and noted that the company is rolling out initiatives such as shared-equity schemes and rent-to-own options to attract cautious buyers.

Looking ahead, Barratt Redrow expects to complete between 17,200 and 17,800 homes in the next financial year. The firm also reiterated its long-term ambition to increase annual completions to 22,000 once buyer confidence improves and planning reforms begin to take effect.

Analysts have taken a cautious view, questioning whether the current dip reflects short-term turbulence or more persistent weakness in the housing market. One industry expert pointed to the slow implementation of planning system changes as a factor hindering supply growth, suggesting that any meaningful recovery may be delayed until later in the year.

The company's results follow a broader trend in the UK housing sector. Other major developers, including Vistry and Berkeley Group, have also reported subdued sales and reduced profitability, signs that the market remains under pressure despite modest easing in inflation and interest rate expectations.

Barratt Redrow's performance underscores the continued fragility of the housing recovery. While the company maintains financial resilience and has outlined a clear growth strategy, the coming year will test whether demand can rebound as economic headwinds and policy uncertainties persist.