

Taylor Wimpey Profits Fall

Taylor Wimpey Profits Fall

Britain's largest homebuilder by volume and second ranked by market value made a pre-tax loss of £19.5m last year. This was down from a profit of £405.6m the previous year. Excluding exceptional costs such as the US write-down, TaylorWimpey saw its pre-tax profit fall to £535.6m, compared with £776.5m last year. The London-based company formed by the merger of Taylor Woodrow PLC and George Wimpey PLC in July 2006 said profits fell by 31 per cent as property markets in the UK, USA and Spain cooled.

Despite a slowdown in the UK housing market, the company's performance was satisfactory. Peter Redfern, Chief Executive at TaylorWimpey, said, "We have delivered a strong margin improvement in the UK housing business during 2007, substantially exceeding our target of 14 per cent. We continue to anticipate a more difficult trading environment in the UK during 2008. However, we have actively positioned the business for more challenging conditions and are well placed for the future with a strengthened land bank, excellent momentum and a robust financial position."

TaylorWimpey's order book is 19 per cent lower, compared to a year ago when the total value of houses sold before they are built stood at £1.06bn. Average selling prices increased 2.7 per cent to £188,000. Cancellation rates accelerated to more than 30 per cent in the final quarter from an average of 20 per cent.

The decline in profits was primarily caused by a £283.4m write-down in the value of its US land bank and houses currently under construction. The company sold 25 per cent fewer homes in America last year and is anticipating a subdued market in 2008.

TaylorWimpey profits also fell by two thirds to just under £8m in its Spanish business. The company also wrote down the value of its Spanish projects by around £6m as demands for new homes slowed.

Editor: Simon Weston www.myfirsthomeltd.co.uk

Email: simon.weston@myfirsthomeltd.com

About the Author

We want to help people find their perfect home Working closely with various partners in the property business we make the purchase of your first home a pleasurable experience by reducing stress Are you a first time home buyer? Are frustrated with your current circumstances be you a renter or currently residing with your parents? Have you tried and failed to buy your first home? If so join us and a solution to your current circumstances is on the horizon....

Source: <http://www.tntarticles.com>