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Profit at housebuilder Cala soars

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Housebuilder ups land bank, with £4.7bn development pipeline, as pre-tax profit more than doubles

Tom Campbell

Cala chief executive Alan Brown

Cala Homes has amassed a potential development pipeline worth £4.7bn, as it reported a doubling of pre-tax profit in its latest financial results.

Cala channelled investment from its new owners Patron Capital and Legal & General – which bought the housebuilder in 2013 – over the year to 30 June 2014 to increase its landbank, particularly in the South-east of England.

The firm's landbank grew 27% to 12,690 plots, up from 10,016 the previous year, with a potential gross development value of £4.7bn, up 48% on £3.1bn the previous year, with a projected average selling price of £370,000, up from £316,000.

Pre-tax profit grew 117% to £27.3m over the year, up from £12.6m, while revenue grew 22% to £294.2m, up from £240.8m.

Cala is targeting turnover of around £0.5bn this year, with turnover set to be boosted by a full year of trading from its southern England luxury developer arm Banner Homes, which it acquired in March 2014.

The firm said it was on course to deliver a three-fold increase in revenue by 2016.

Operating margin rose to 13.6%, up from 10.2%.

Private completions remained broadly unchanged at 677, down slightly from 694, but average selling price jumped to £423,000, up from £355,000.

Cala, led by chief executive Alan Brown (pictured), provided no update on the prospect of a potential float on the London stock exchange.

The firm appointed financial advisor Lazard in July to work on a potential initial public offering, but sources told the Financial Times this was unlikely until late in 2015.

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