# Berkeley Group charts new course with leadership shift and £7bn strategy amid market headwinds



Berkeley Group, one of Britain's leading housebuilders, has announced significant leadership changes alongside an ambitious 10-year strategy designed to navigate a challenging market and foster long-term growth. The board revealed that Rob Perrins, Berkeley's chief executive since 2009, will take over as executive chairman, succeeding Michael Dobson after the annual general meeting scheduled for 5 September. Perrins’ successor as CEO will be Richard Stearn, the company's chief financial officer for the past decade, marking a generational leadership shift aimed at steering Berkeley through industry headwinds.

Stearn brings a wealth of financial and industry experience, having begun his career at PwC before joining Berkeley in 2002 as financial controller. After a stint with Quintain Estates and Development, he returned to Berkeley, where he has played a pivotal role in managing finances through volatile periods. His elevation comes as Berkeley unveils its “Berkeley 2035” plan—a decade-long blueprint to deploy £7 billion of capital with a focus split across land investment, expanding a Build to Rent (BTR) platform, and shareholder returns.

The strategy allocates approximately £2.5 billion to land acquisition to boost the pipeline of new developments, £1.2 billion toward expanding the BTR portfolio with a target of 4,000 rental homes, and £2 billion aimed at shareholder returns. This approach reflects a response to continued sector challenges: high interest rates, housing affordability issues, and rising input costs. The BTR initiative, in particular, aims to capitalise on the growing demand for professionally managed rental properties amid stagnant homeownership rates and tougher mortgage conditions. Berkeley has already successfully sold around 1,000 homes to institutional investors over recent years and now seeks to develop this area actively as part of its asset management strategy.

Despite these forward-looking moves, Berkeley’s latest financial results highlight the ongoing pressures facing the industry. For the year ending April 2025, pre-tax profits fell by 5.1% to £528.9 million, marginally above the company's previous guidance of £525 million. Revenue edged up slightly to £2.49 billion, buoyed by higher commercial sales and land transactions which offset weaker residential prices. While the number of homes sold in London and the South East increased by over 500, the average selling price dropped from £664,000 to £593,000, underscoring market softness.

Looking ahead, Berkeley anticipates a sharper contraction in profits to around £450 million for the coming year, reflecting the ongoing cost pressures and softer demand. The market reacted negatively to the announcement, with Berkeley’s shares dropping 8.2%—the largest fall within the FTSE 100 on the day—underscoring investor unease amid regulatory cost concerns and the prospect of sustained higher interest rates. Analysts have suggested that the leadership transition may also have contributed to market jitters, given the important role senior management plays in steering through uncertain conditions.

Beyond financial and operational challenges, Berkeley is advancing its environmental commitments. The company seeks to become net-zero carbon by 2045, setting science-based emission reduction targets and embedding sustainability into design and construction processes. This aligns with its broader corporate responsibility goals and supports the UK Government’s ambitions not only for housing but also for sustainable urban development.

Berkeley’s revamped leadership and strategic pivot signify an adaptation to a transformed housing market. By balancing traditional housebuilding with a growing rental portfolio, and embedding sustainability at the core of its business, Berkeley aims to remain resilient and responsive to evolving economic and social dynamics. The success of this plan will be closely watched by investors and policymakers alike, as the company positions itself to contribute to the UK’s housing supply goals while navigating persistent industry headwinds.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.dailymail.co.uk/money/markets/article-14830995/Berkeley-reveals-leadership-shake-housebuilder-plots-strategy-rethink.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.reuters.com/sustainability/boards-policy-regulation/uks-berkeley-names-richard-stern-new-ceo-2025-06-20/)
* Paragraph 2 – [[1]](https://www.dailymail.co.uk/money/markets/article-14830995/Berkeley-reveals-leadership-shake-housebuilder-plots-strategy-rethink.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.reuters.com/sustainability/boards-policy-regulation/uks-berkeley-names-richard-stern-new-ceo-2025-06-20/)
* Paragraph 3 – [[1]](https://www.dailymail.co.uk/money/markets/article-14830995/Berkeley-reveals-leadership-shake-housebuilder-plots-strategy-rethink.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[3]](https://www.ft.com/content/1979a6d5-415a-4f4c-922f-a5f2ddc7539c), [[6]](https://www.estatesgazette.co.uk/news/berkeley-plans-btr-push-with-new-10-year-plan/), [[7]](https://www.marketscreener.com/quote/stock/THE-BERKELEY-GROUP-HOLDIN-4004901/news/Berkeley-Group-sets-10-year-strategy-heralds-housebuilding-new-era-48539063/)
* Paragraph 4 – [[1]](https://www.dailymail.co.uk/money/markets/article-14830995/Berkeley-reveals-leadership-shake-housebuilder-plots-strategy-rethink.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[5]](https://www.berkeleygroup.co.uk/news-and-insights/news-and-features/2024/interim-results-announced)
* Paragraph 5 – [[1]](https://www.dailymail.co.uk/money/markets/article-14830995/Berkeley-reveals-leadership-shake-housebuilder-plots-strategy-rethink.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.reuters.com/sustainability/boards-policy-regulation/uks-berkeley-names-richard-stern-new-ceo-2025-06-20/), [[5]](https://www.berkeleygroup.co.uk/news-and-insights/news-and-features/2024/interim-results-announced)
* Paragraph 6 – [[4]](https://www.berkeleygroup.co.uk/our-vision/climate-action)
* Paragraph 7 – [[1]](https://www.dailymail.co.uk/money/markets/article-14830995/Berkeley-reveals-leadership-shake-housebuilder-plots-strategy-rethink.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.reuters.com/sustainability/boards-policy-regulation/uks-berkeley-names-richard-stern-new-ceo-2025-06-20/), [[3]](https://www.ft.com/content/1979a6d5-415a-4f4c-922f-a5f2ddc7539c), [[4]](https://www.berkeleygroup.co.uk/our-vision/climate-action), [[6]](https://www.estatesgazette.co.uk/news/berkeley-plans-btr-push-with-new-10-year-plan/), [[7]](https://www.marketscreener.com/quote/stock/THE-BERKELEY-GROUP-HOLDIN-4004901/news/Berkeley-Group-sets-10-year-strategy-heralds-housebuilding-new-era-48539063/)

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## Bibliography

1. <https://www.dailymail.co.uk/money/markets/article-14830995/Berkeley-reveals-leadership-shake-housebuilder-plots-strategy-rethink.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.reuters.com/sustainability/boards-policy-regulation/uks-berkeley-names-richard-stern-new-ceo-2025-06-20/> - Berkeley Group has announced significant leadership changes, with CEO Rob Perrins set to become executive chairman, succeeding Michael Dobson. Richard Stearn, the current CFO, will assume the role of CEO. This transition is part of Berkeley's 10-year strategy, 'Berkeley 2035', which includes a £5 billion investment plan focusing on building new homes and delivering 4,000 rental properties through its Build to Rent initiative. Despite a 5% drop in pre-tax profits to £528.9 million for the year ending April 30, the company remains optimistic about its growth prospects. ([reuters.com](https://www.reuters.com/sustainability/boards-policy-regulation/uks-berkeley-names-richard-stern-new-ceo-2025-06-20/?utm_source=openai))
3. <https://www.ft.com/content/1979a6d5-415a-4f4c-922f-a5f2ddc7539c> - Facing high rents and sluggish home sales due to elevated interest rates and large deposit requirements, Berkeley Group plans to enter the rental market by building and renting out 4,000 homes over the next decade. This strategy aims to capitalise on the growing demand for rental properties and optimise asset value by establishing a professionally managed rental portfolio before eventual sales. The move follows successful sales of approximately 1,000 homes to institutional investors over the past three years. ([ft.com](https://www.ft.com/content/1979a6d5-415a-4f4c-922f-a5f2ddc7539c?utm_source=openai))
4. <https://www.berkeleygroup.co.uk/our-vision/climate-action> - Berkeley Group is committed to addressing the global climate emergency by creating low-carbon, resilient homes. Their approach includes designing efficient and resilient places, transforming construction processes, and setting ambitious science-based targets to reduce greenhouse gas emissions. The company aims to become a net-zero carbon business by 2045, aligning with the goals of the Paris Agreement. ([berkeleygroup.co.uk](https://www.berkeleygroup.co.uk/our-vision/climate-action?utm_source=openai))
5. <https://www.berkeleygroup.co.uk/news-and-insights/news-and-features/2024/interim-results-announced> - For the six months ending 31 October 2024, Berkeley Group reported a pre-tax profit of £275 million and net cash of £474 million. Despite ongoing geopolitical and macroeconomic volatility, the company remains on track to achieve its full-year pre-tax profit guidance of £525 million and at least £450 million for FY26. The results reflect a resilient performance amid a challenging market environment. ([berkeleygroup.co.uk](https://www.berkeleygroup.co.uk/news-and-insights/news-and-features/2024/interim-results-announced?utm_source=openai))
6. <https://www.estatesgazette.co.uk/news/berkeley-plans-btr-push-with-new-10-year-plan/> - Berkeley Group has launched a 10-year plan, 'Berkeley 2035', aiming to invest £7 billion over the next decade. The strategy focuses on growing its Build to Rent platform, acquiring land, and returning cash to shareholders. The company believes this approach will help the UK government achieve its goal of delivering 1.5 million new homes over the current parliament. ([estatesgazette.co.uk](https://www.estatesgazette.co.uk/news/berkeley-plans-btr-push-with-new-10-year-plan/?utm_source=openai))
7. <https://www.marketscreener.com/quote/stock/THE-BERKELEY-GROUP-HOLDIN-4004901/news/Berkeley-Group-sets-10-year-strategy-heralds-housebuilding-new-era-48539063/> - Berkeley Group has set out a new 10-year growth strategy, 'Berkeley 2035', focusing on long-term value creation through a flexible capital allocation framework. The plan includes £7 billion of free cash flow to be deployed over the next ten years, with allocations for land investment, construction of the Build to Rent platform, and returns to shareholders. The strategy aims to navigate market volatility and capitalise on emerging investment opportunities. ([marketscreener.com](https://www.marketscreener.com/quote/stock/THE-BERKELEY-GROUP-HOLDIN-4004901/news/Berkeley-Group-sets-10-year-strategy-heralds-housebuilding-new-era-48539063/?utm_source=openai))