

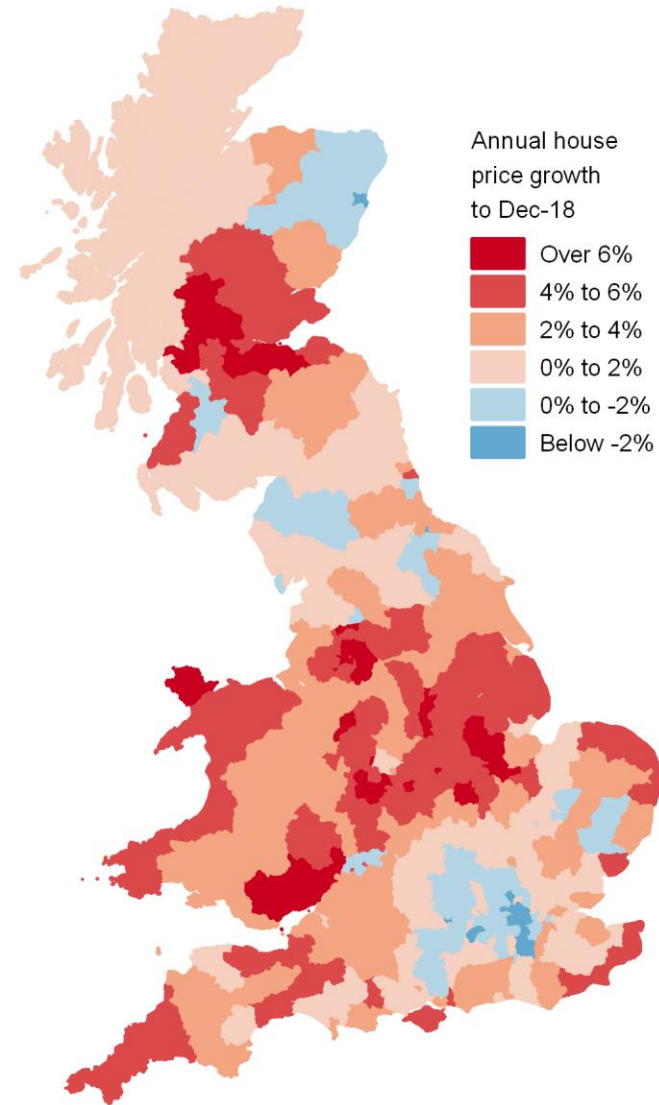
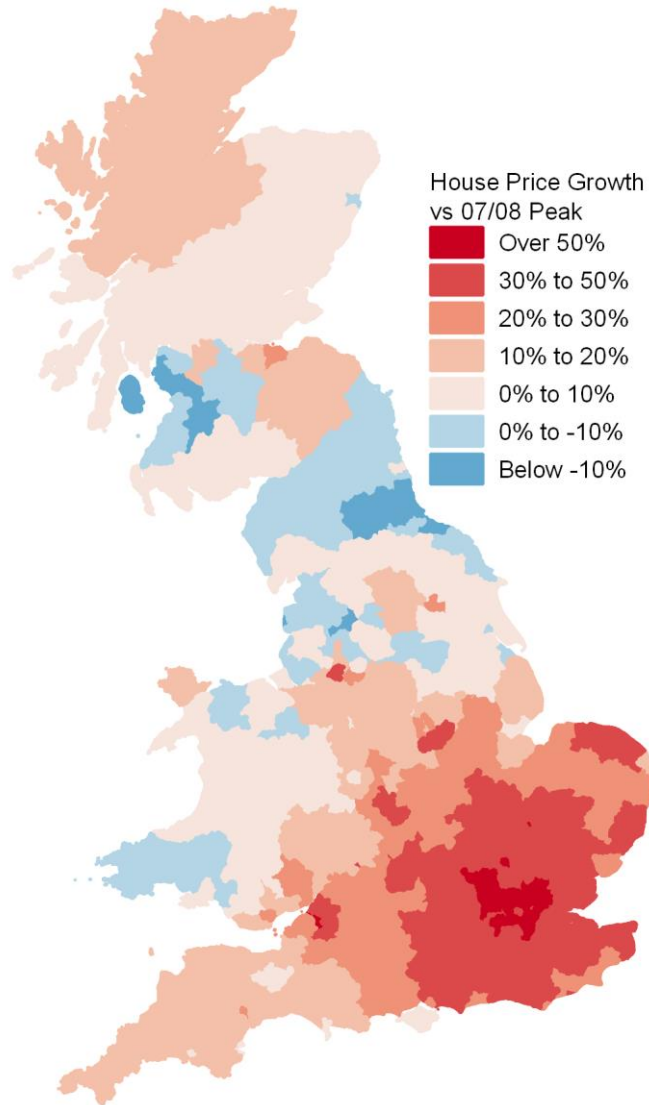


Housing development and market overview

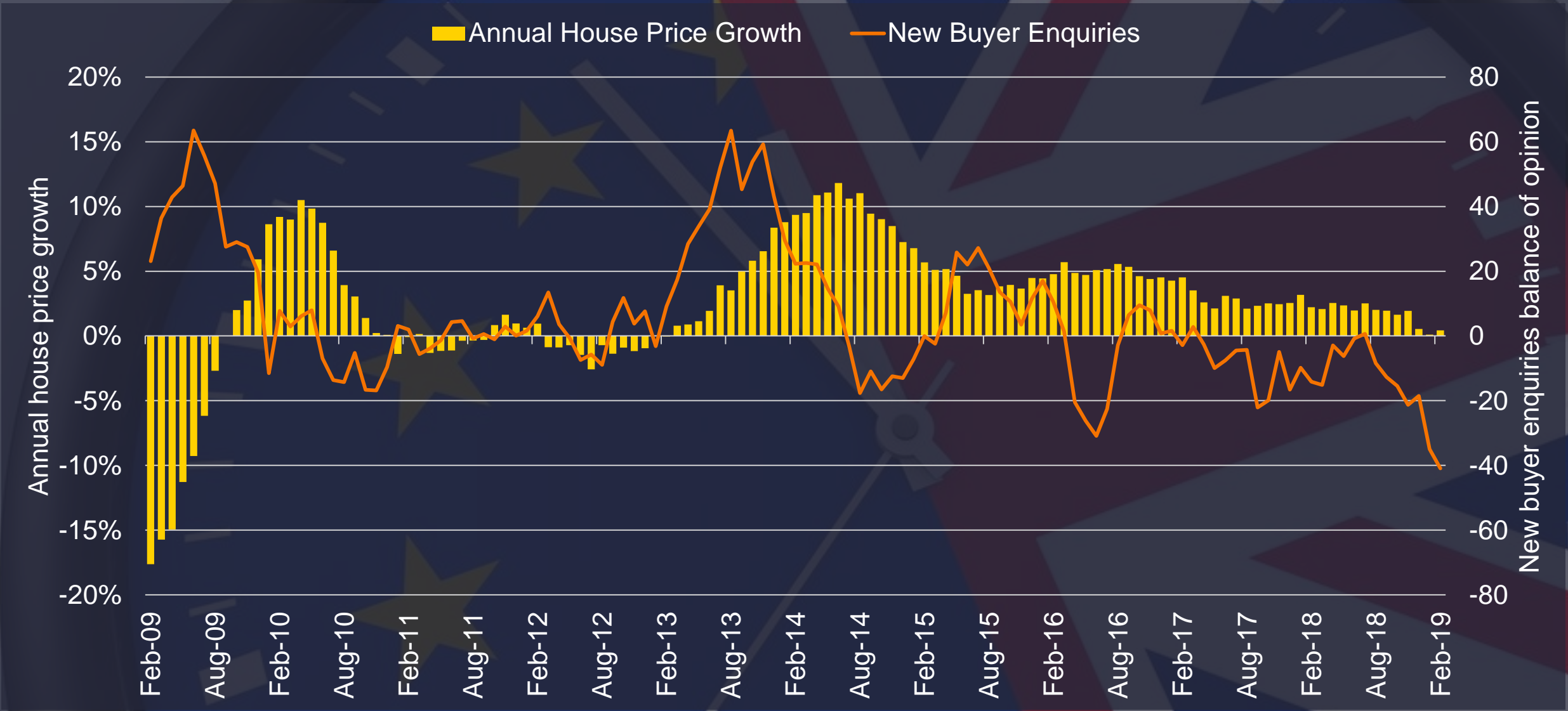
Emily Williams

Savills

House price growth - the ripple effect

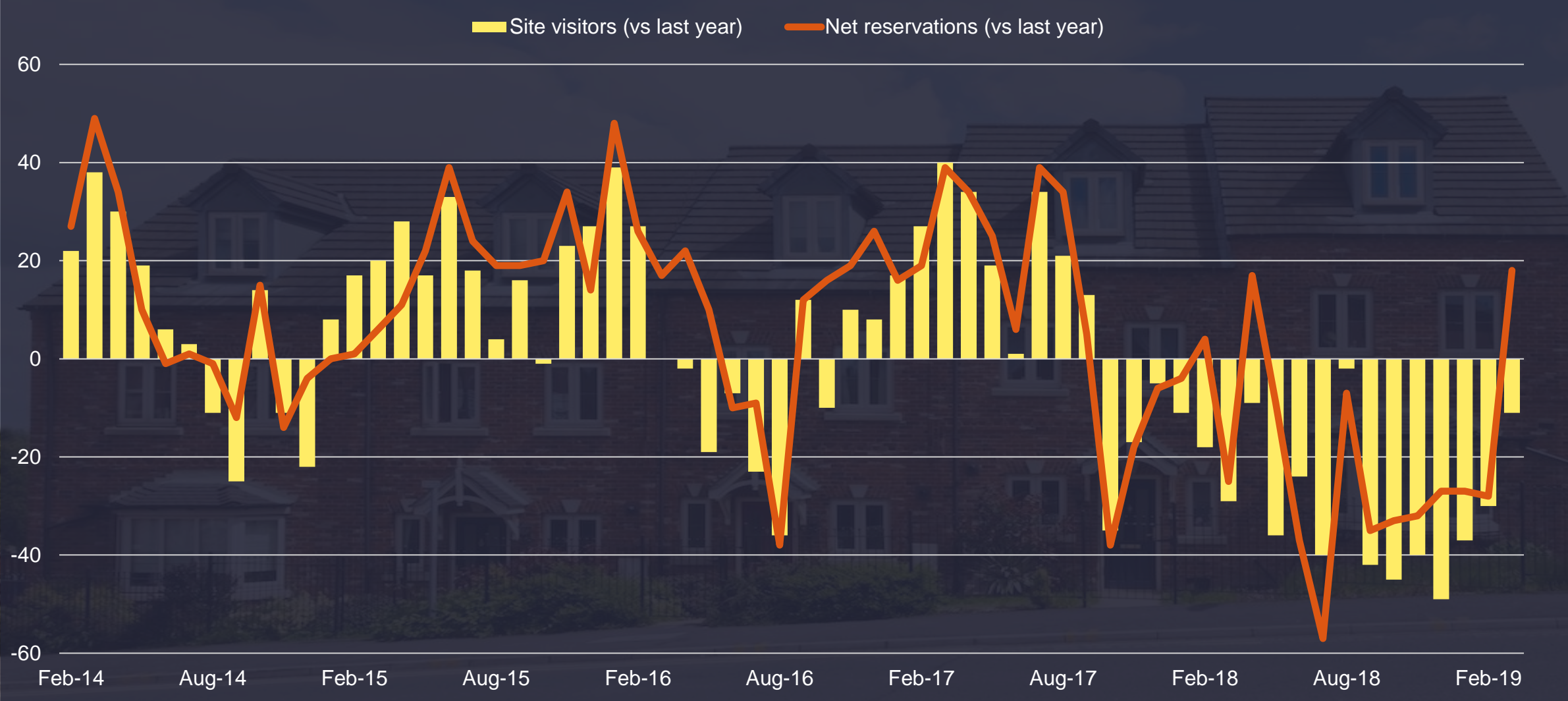


Sentiment & Brexit – slowing growth and fewer enquiries



Source: RICS, Nationwide, HMRC

Brexit is also impacting new build demand



Source: HBF

Mainstream house price forecasts 5 years 2019-2023

SCOTLAND
18.2%

NORTH WEST
21.6%

WALES
19.3%

WEST MIDLANDS
19.3%

SOUTH WEST
12.6%



NORTH EAST
17.6%

YORKSHIRE & HUMBER
20.5%

EAST MIDLANDS
19.3%

EAST
9.3%

LONDON
4.5%

SOUTH EAST
9.3%

Major constraints on development

Home Builder's Federation Housebuilder survey (large):

- The planning system (38%)
- Materials availability (27%)
 - Land prices (23%)

Federation of Master Builders Housebuilder survey (SMEs):

- Lack of available and viable land (59%)
 - The planning system (51%)
- Lack of available finance (46%)

Help to Buy - what does the future hold?



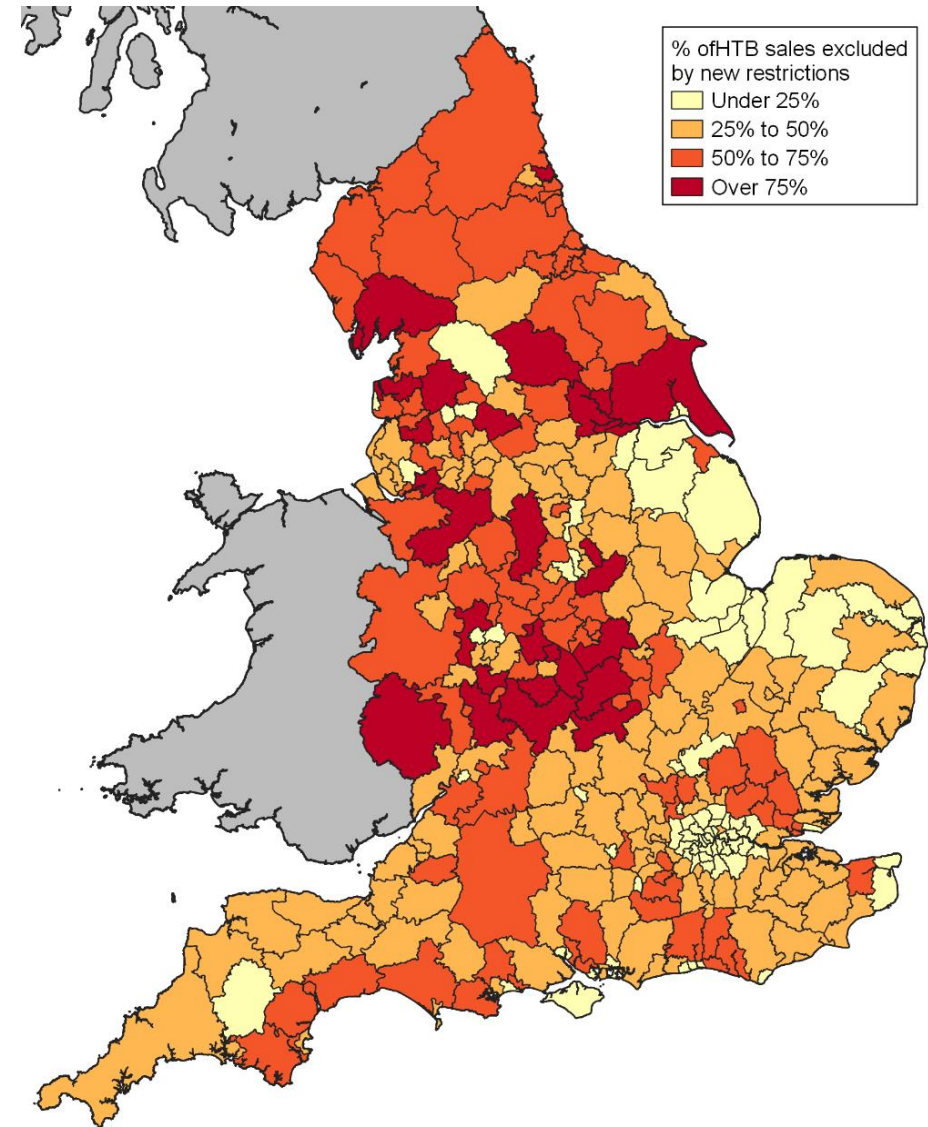
Impact of the restrictions

Potentially affecting 34%
of current Help to Buy
transactions

100% of the **18%** home movers

22% of the 72% first time buyers

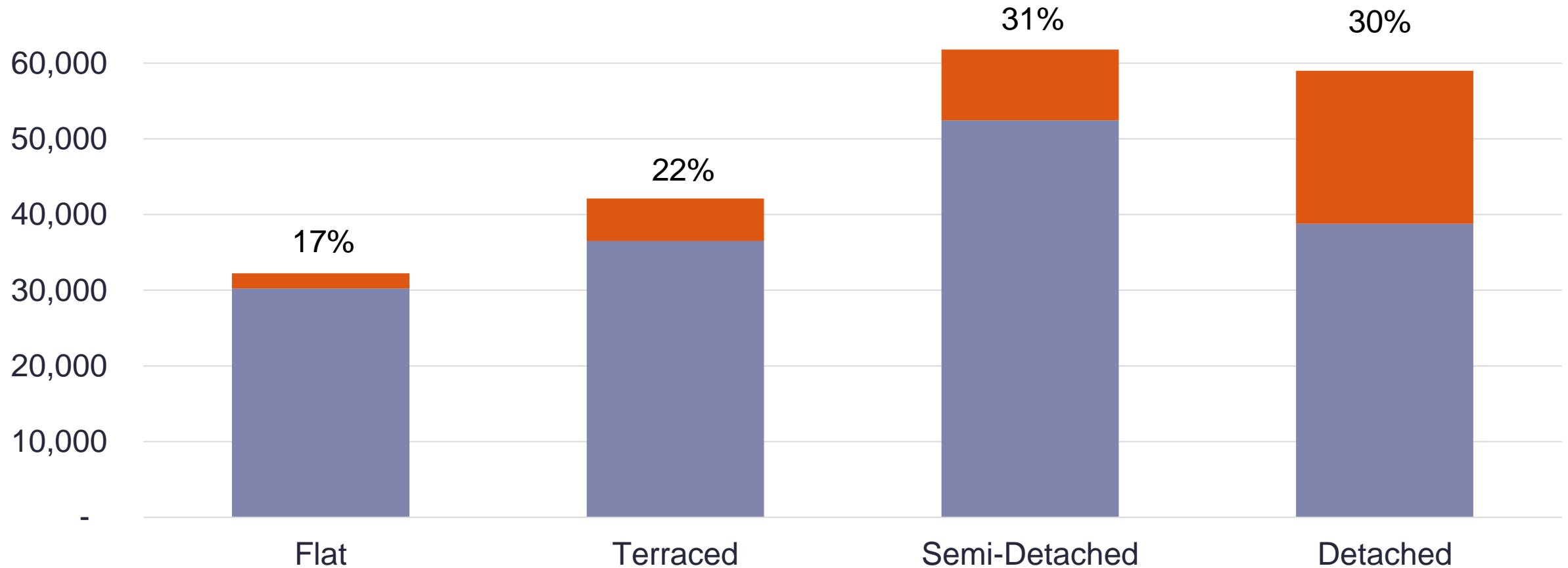
With a distinct geographical
impact



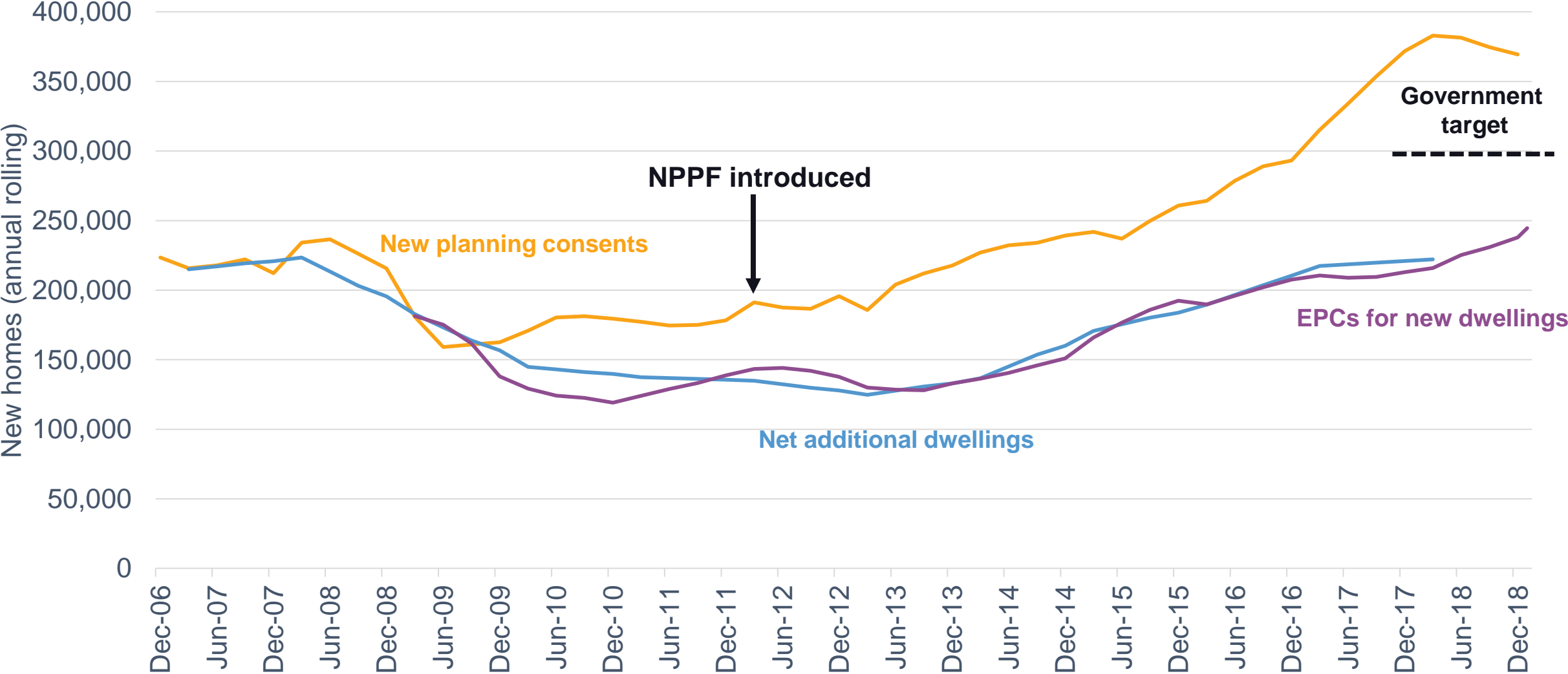
With possible implications for housing mix

Help to Buy Transactions by Property Type

■ FTB ■ Homemover

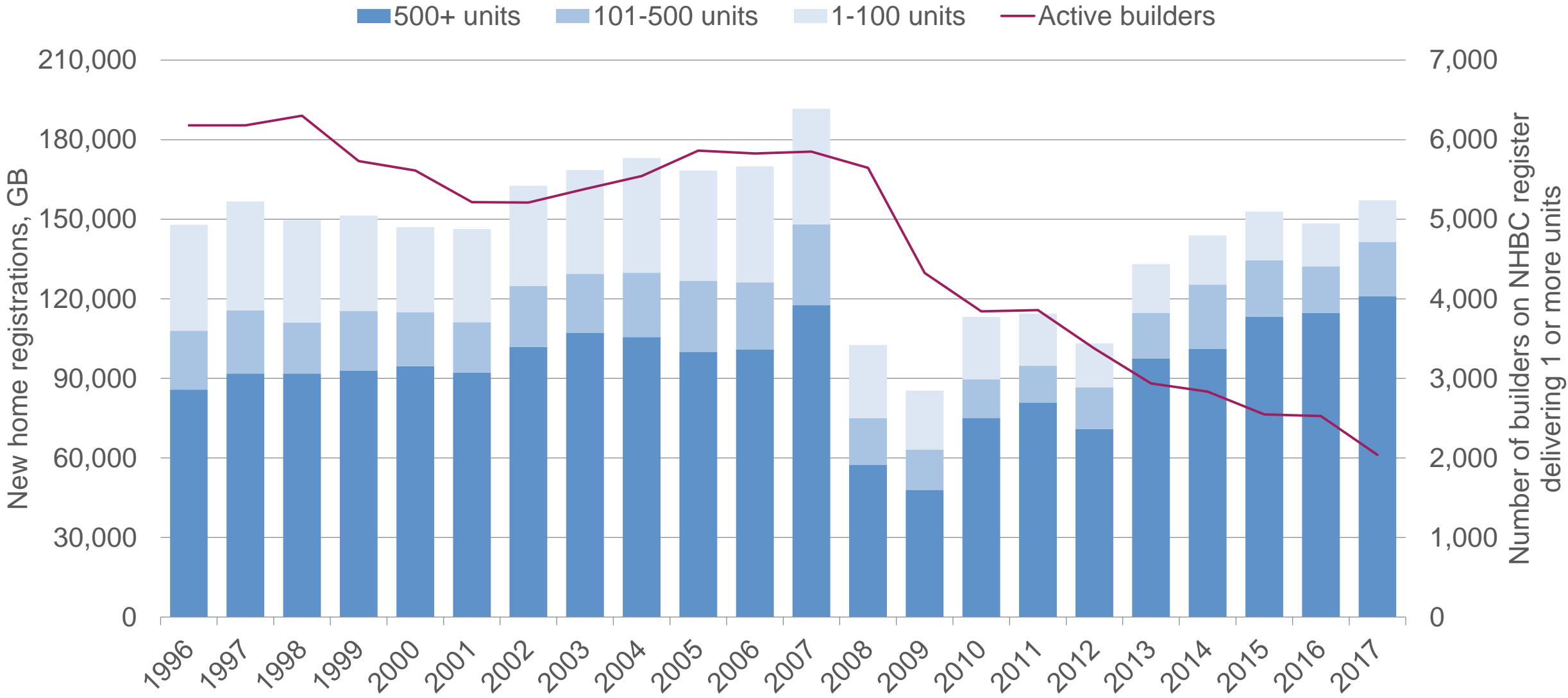


How do we meet the 300,000 homes target?



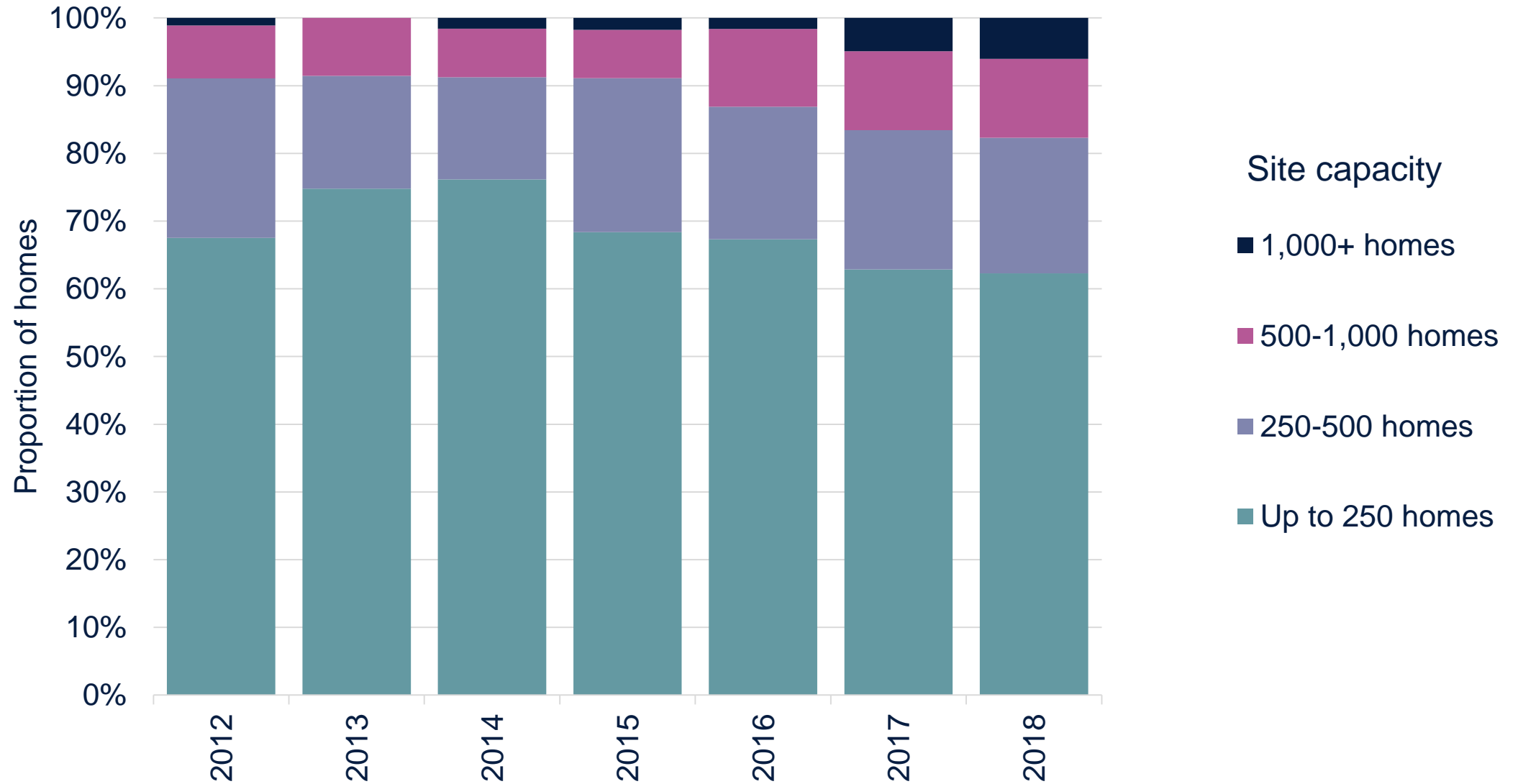
Source: MHCLG, HBF, Glenigan

Major housebuilders are increasingly dominating the market



Source: NHBC

The planning system is increasingly delivering large sites



A yellow rectangular box containing the word "Design" in a bold, dark blue, sans-serif font. The box is positioned in the upper left quadrant of the slide.

Design

A yellow rectangular box containing the word "Type" in a bold, dark blue, sans-serif font. The box is positioned in the lower left quadrant of the slide.

Type

A white rectangular box containing the word "Tenure" in a bold, dark blue, sans-serif font. The box is positioned in the lower center of the slide.

Tenure

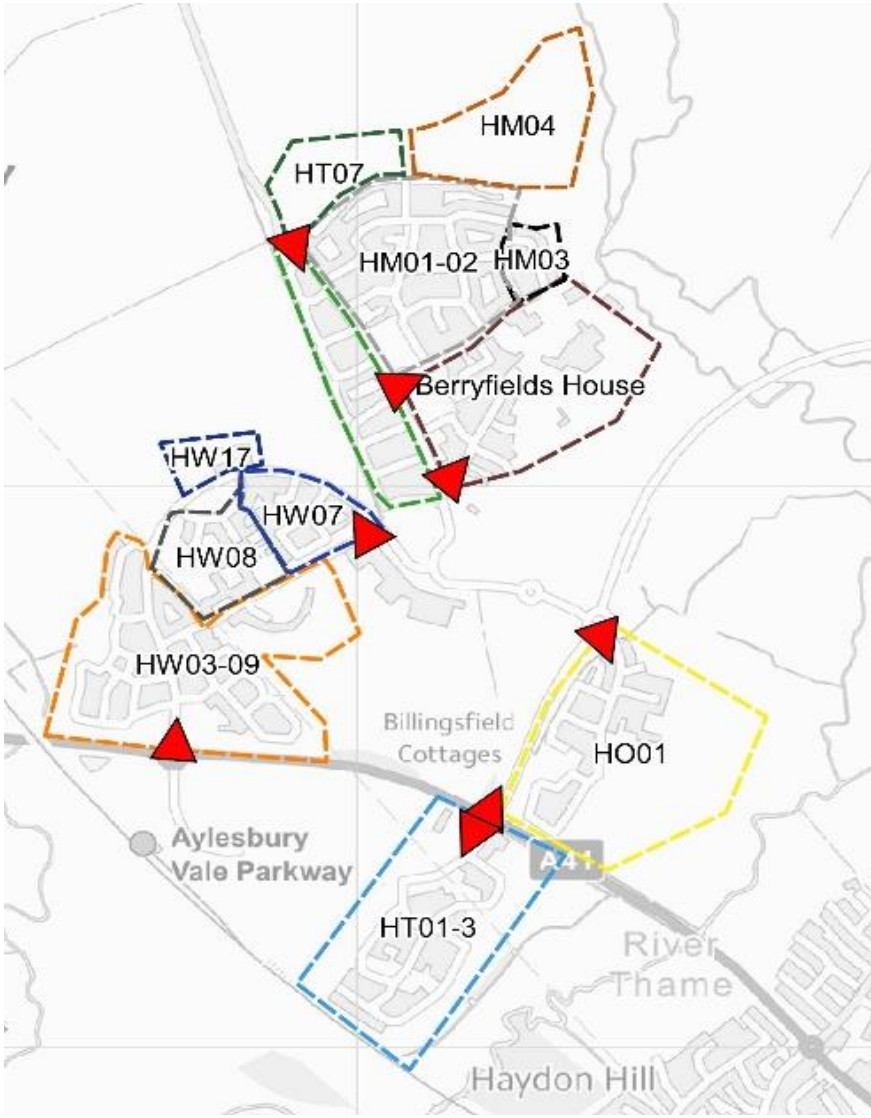
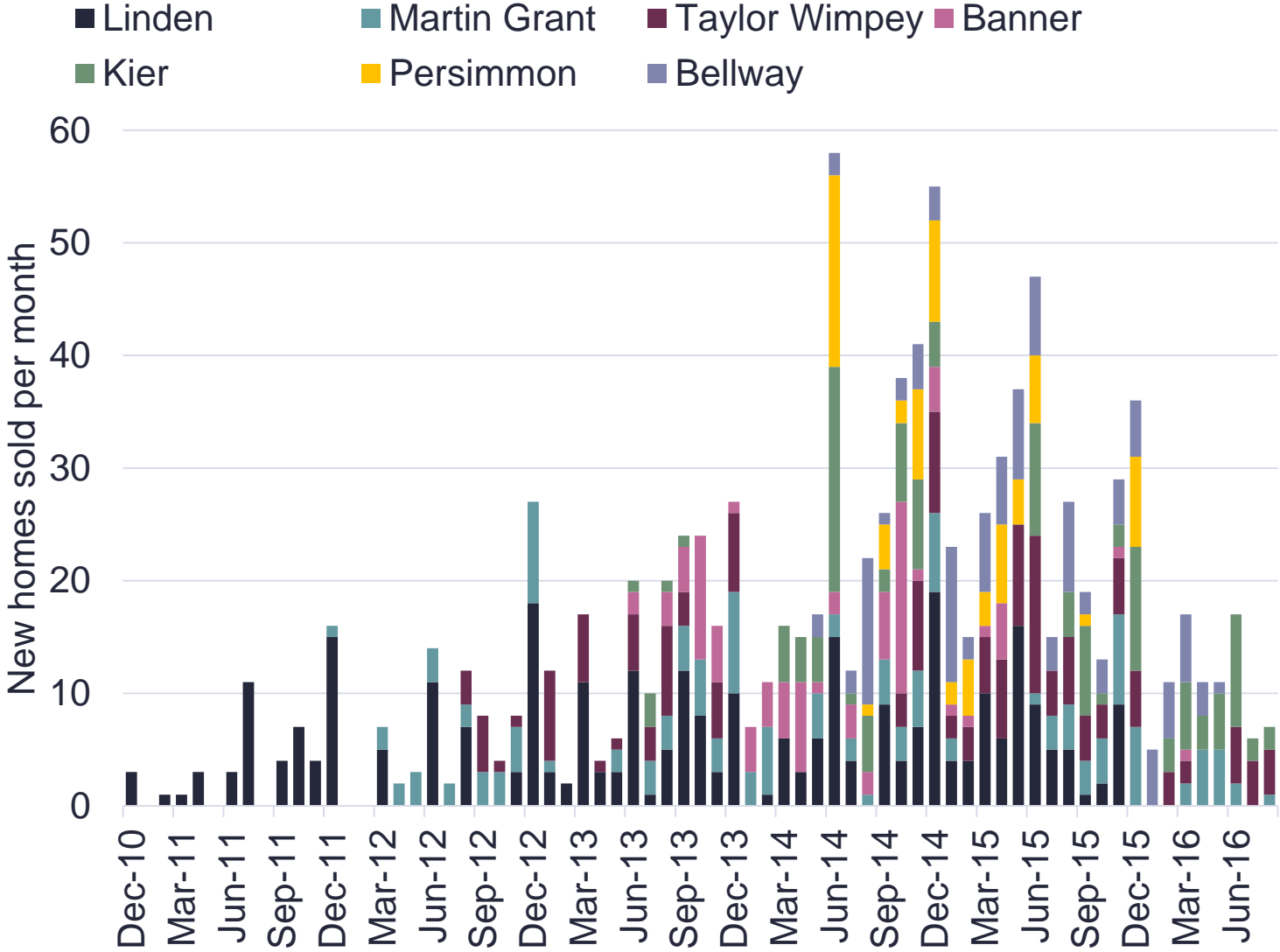
A yellow arrow-shaped box pointing to the right, containing the text "Faster sales rates" in a white, sans-serif font. The box is positioned in the center of the slide.

Faster
sales rates

A yellow arrow-shaped box pointing to the right, containing the text "Faster build out rates" in a white, sans-serif font. The box is positioned on the right side of the slide.

Faster
build out
rates

Delivering high sales rates on a large sites



Source: Planning documents, NB: Red arrows indicate access points to site

*I welcome Sir Oliver's support for **greater emphasis on housing diversification within the planning system**. The revised National Planning Policy Framework has already embedded a requirement for a greater mix of housing; it explicitly requires a mix of size, type and tenure of housing that reflects the diverse needs of local communities.[...] As confirmed in Spring Statement, my department will shortly publish **additional planning guidance on housing diversification – to further encourage large sites to support a diverse range of housing needs, and help them build out more quickly**.*



1 Greatest potential for expansion is likely to come from SME builders

2 Product variety can help expand open market sales

3 The changes to Help to Buy will increase the need to diversify

The Savills logo consists of a solid yellow square with the word "savills" written in a lowercase, red, sans-serif font. The background of the slide is a dark blue architectural site plan with white lines and numbers (10, 9, 8, 66, 67, 5) overlaid on a 3D rendering of buildings under construction. One building is shown with its wooden frame and scaffolding, while another is more complete with grey walls and a blue roof. The text "Thank you" is positioned directly below the logo.

savills

Thank you