
Barratt Developments PLC

David Thomas
Group Chief Executive





Overview

- It has been an eventful year!
 - The market fundamentals are strong
 - A quick look at Barratt
 - It is a collective responsibility
 - Skills and Innovation
 - Quality and Service
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23rd June 2016



David Cameron



George Osborne



Greg Clark



Brandon Lewis

The 'A' team

13th July 2016



Theresa May



Phillip Hammond



Sajid Javid



Gavin Barwell



Industry under attack?

Business

House builders' fears over
Government plans for 'use it or lose
it' policy over land

RESI: Government considers penalising
developers for landbanking

15 September 2016 | By [Samuel Horti](#)

HOUSING BOOM Strict limits on
housing for Green Belt land set to
end as government prepares for
building spree to combat housing
crisis

FAIRY HODMOTHER Theresa May
will trigger housing boom and force
councils to build thousands more
homes each year to help families

The PM will unleash a multi-pronged assault to solve the nation's
housing crisis

PropertyWeek.com

Housing white paper delayed for second time
25 January 2017



Government will not "look the other way" on
land banking

By [Sam Barker](#) 28th November 2016 12:08 pm

Housing White Paper - 6 February 2017

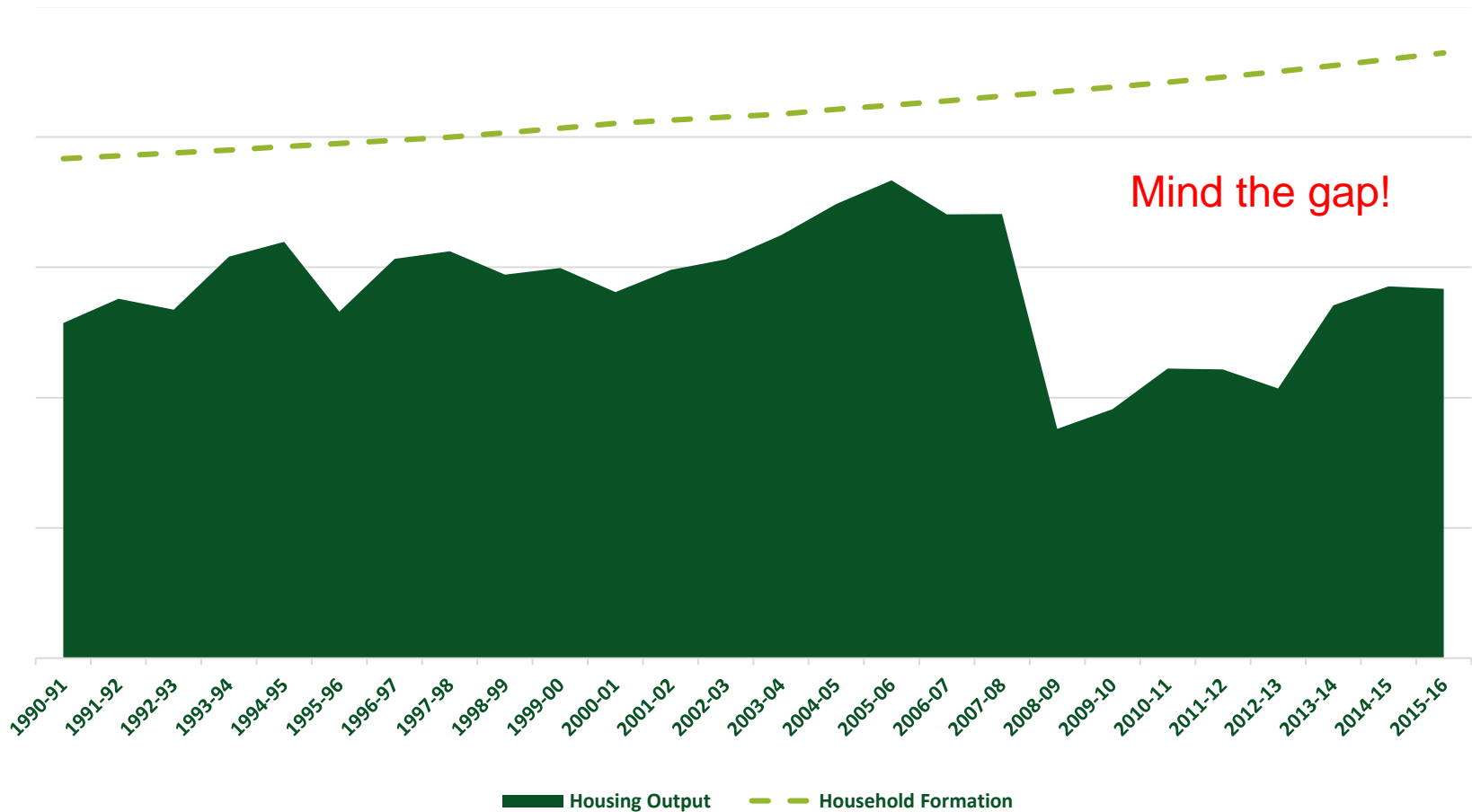


- Not radical – but positive
- Measures to increase land and speed up planning
- Help to Buy reconfirmed to 2021
- Consulting not imposing

Market fundamentals remain strong

- Demand continues to exceed supply
 - Positive lending environment
 - Attractive land market
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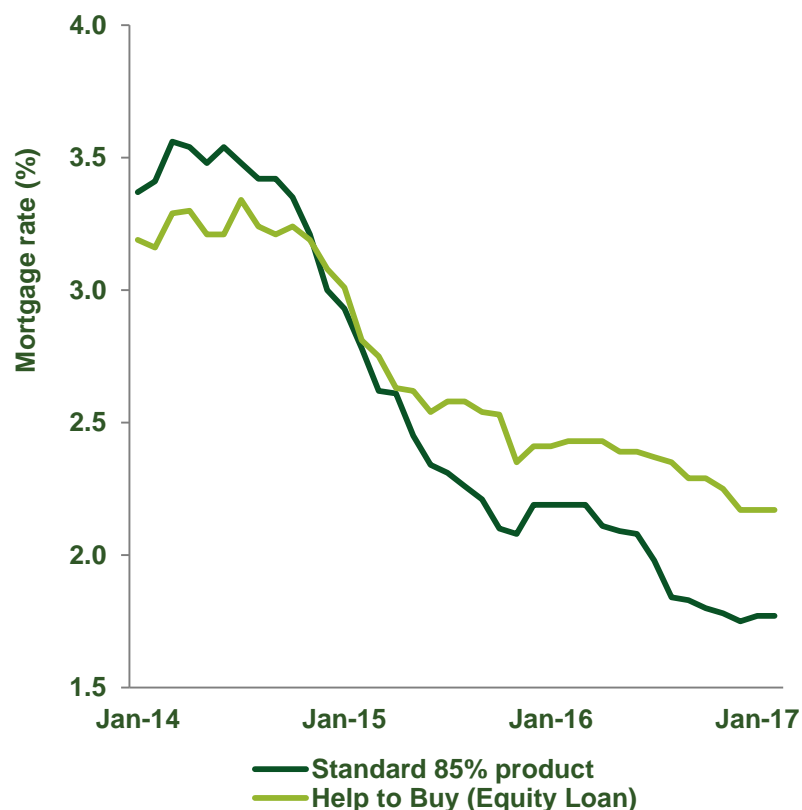
Market fundamentals remain strong - demand continues to exceed supply



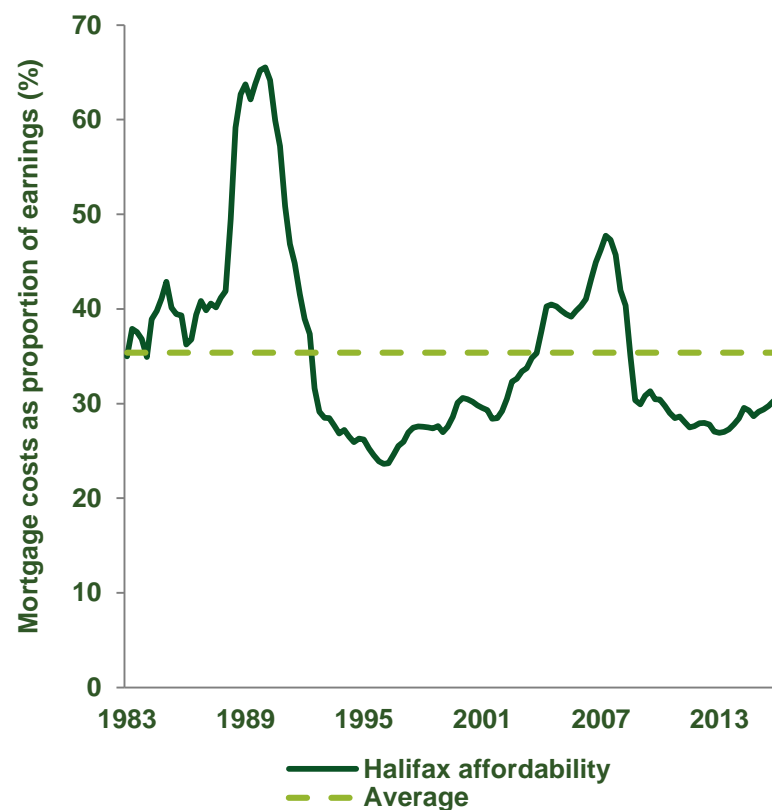
Market fundamentals remain strong

– affordability is good helped by Help to Buy

Average mortgage rates⁽¹⁾



Halifax Mortgage Affordability Index⁽²⁾



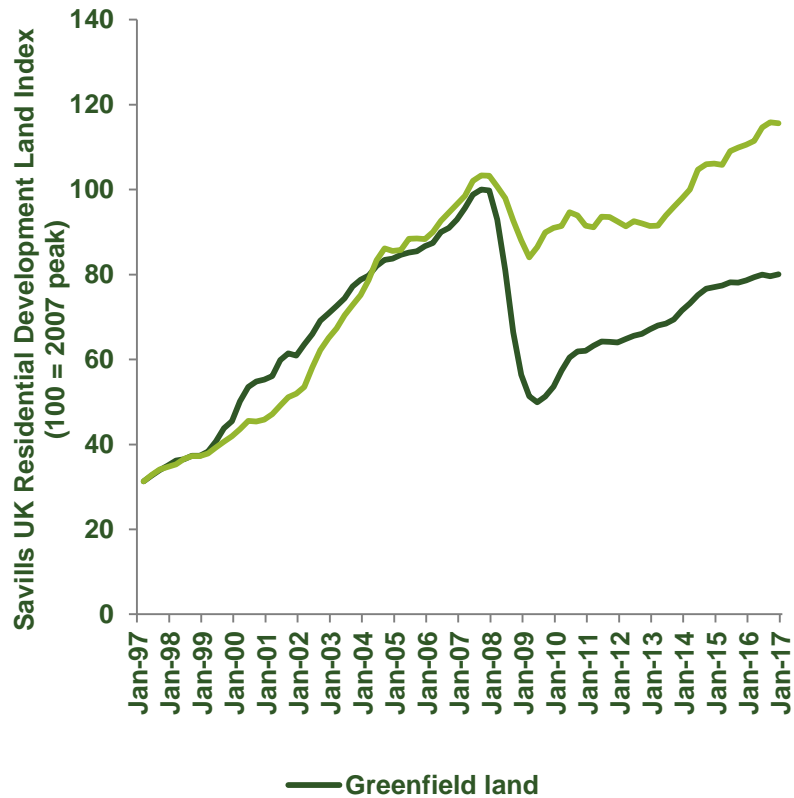
(1) Rates are an average from a basket of six lenders. Standard 85% product based on the best available rate with a fee not exceeding £1,000. HTB product based on the best available HTB equity share rate with no fee. Rates as at 26 January 2017

(2) The mortgage to earnings ratio is calculated using the Halifax standardised average house price (seasonally adjusted), average disposable earnings (calculated from average earnings for all full time employees (ASHE)) and the Bank of England monthly average rate for new advances to households (CFMBJ95).

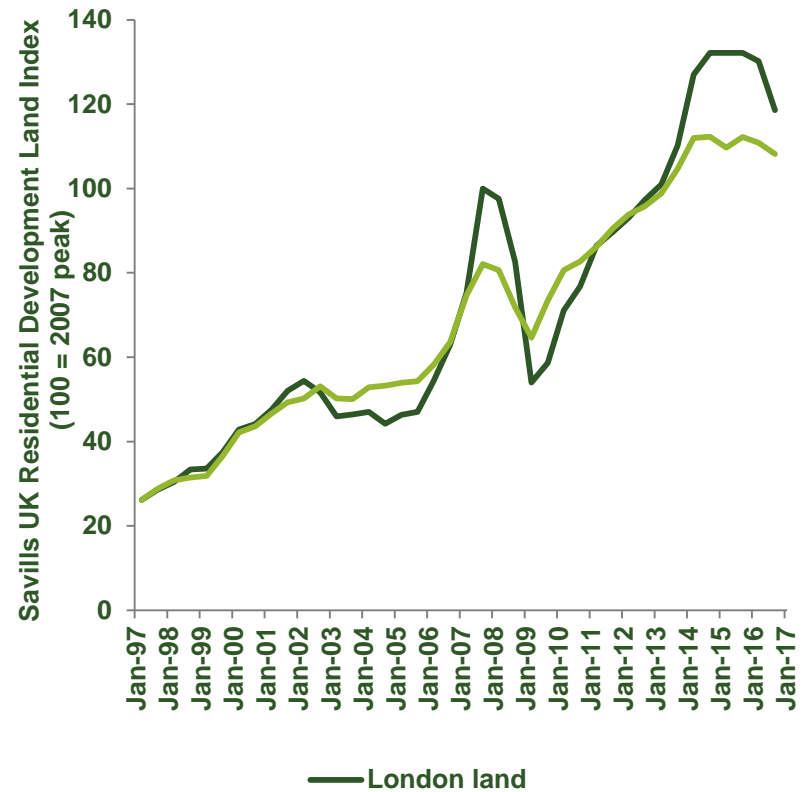
Market fundamentals remain strong

- Attractive land market

UK greenfield land vs UK house prices



London land vs London house prices





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BARRATT
— HOMES —



DAVID WILSON HOMES

WHERE QUALITY LIVES

BARRATT
— LONDON —

Our priorities





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Our performance: operational

Customer service	<p>Over 90% customer recommendation (more than any other major national housebuilder for seven years in a row)</p>
Quality	<p>80 NHBC Pride in the Job Awards won by our site managers (more than any other housebuilder for the twelfth year running)</p>
Design	<p>40 Building for Life commendations (74% of all BfL awards)</p>



Delivering the homes the country needs

We all have to take responsibility



Sajid Javid:

“The housing market in this country is broken and the solution means building many more houses in the places that people want to live.”

Gavin Barwell:

“We are setting out lasting reforms that will get more of the right homes built in the right places, right now”



We all must take responsibility

- Central Government
 - Local Government
 - Industry
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Central Government has responsibility

Clarity on Help to Buy needed

- 82% of buyers needed H2B Equity Loan
 - 14-24% additionality effect of Help to Buy on newbuild supply in 2015/6
 - Barratt invested >£1billion last year in land – build out post 2021
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Local Government has responsibility

Positive and proactive local plans

- >40% of councils do not have a local plan
 - 96 weeks from pre-application to on site
 - 52 weeks from outline to on site
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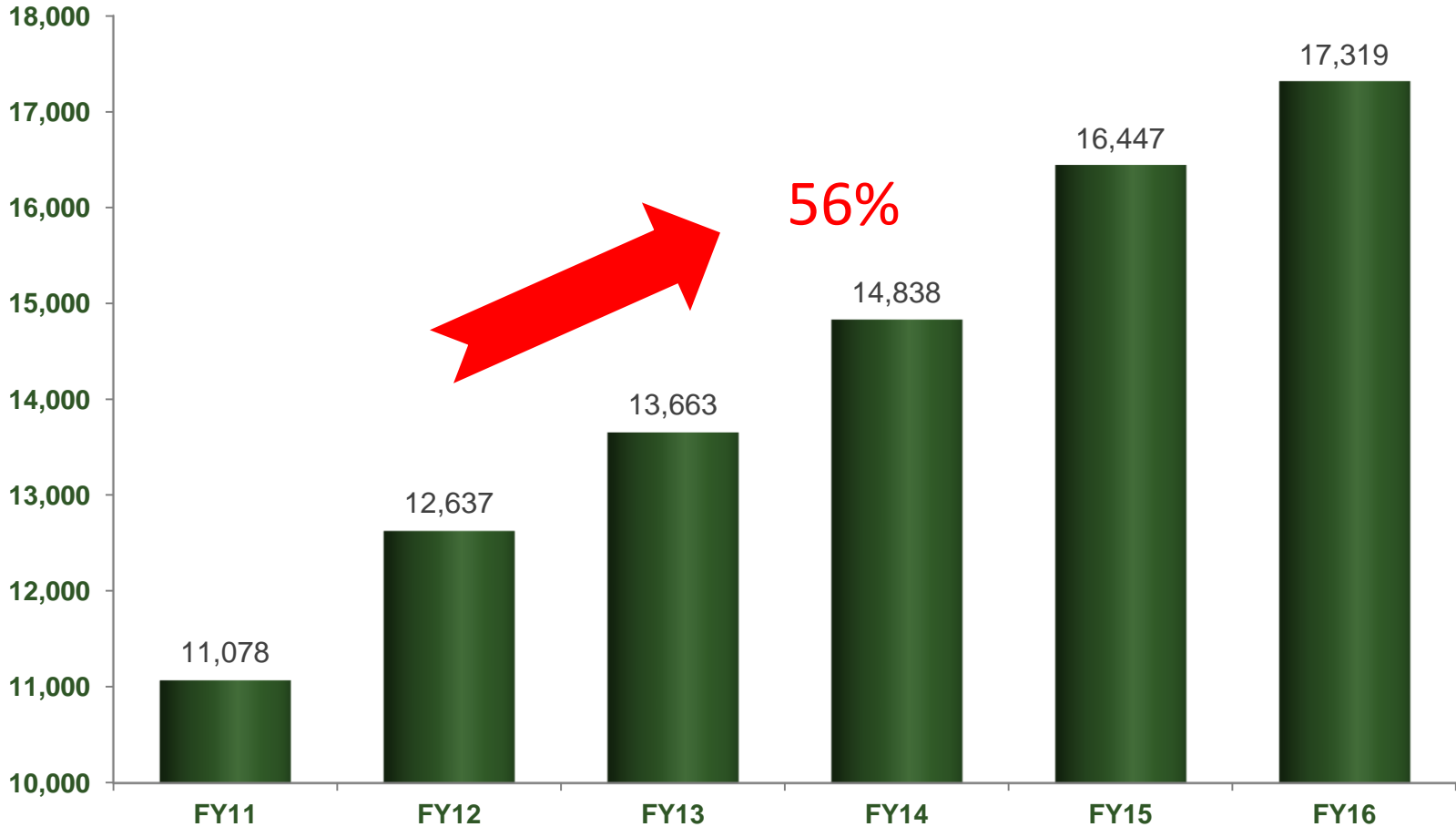
Industry has responsibility

To build the homes the country needs:

- Skills
 - Innovation
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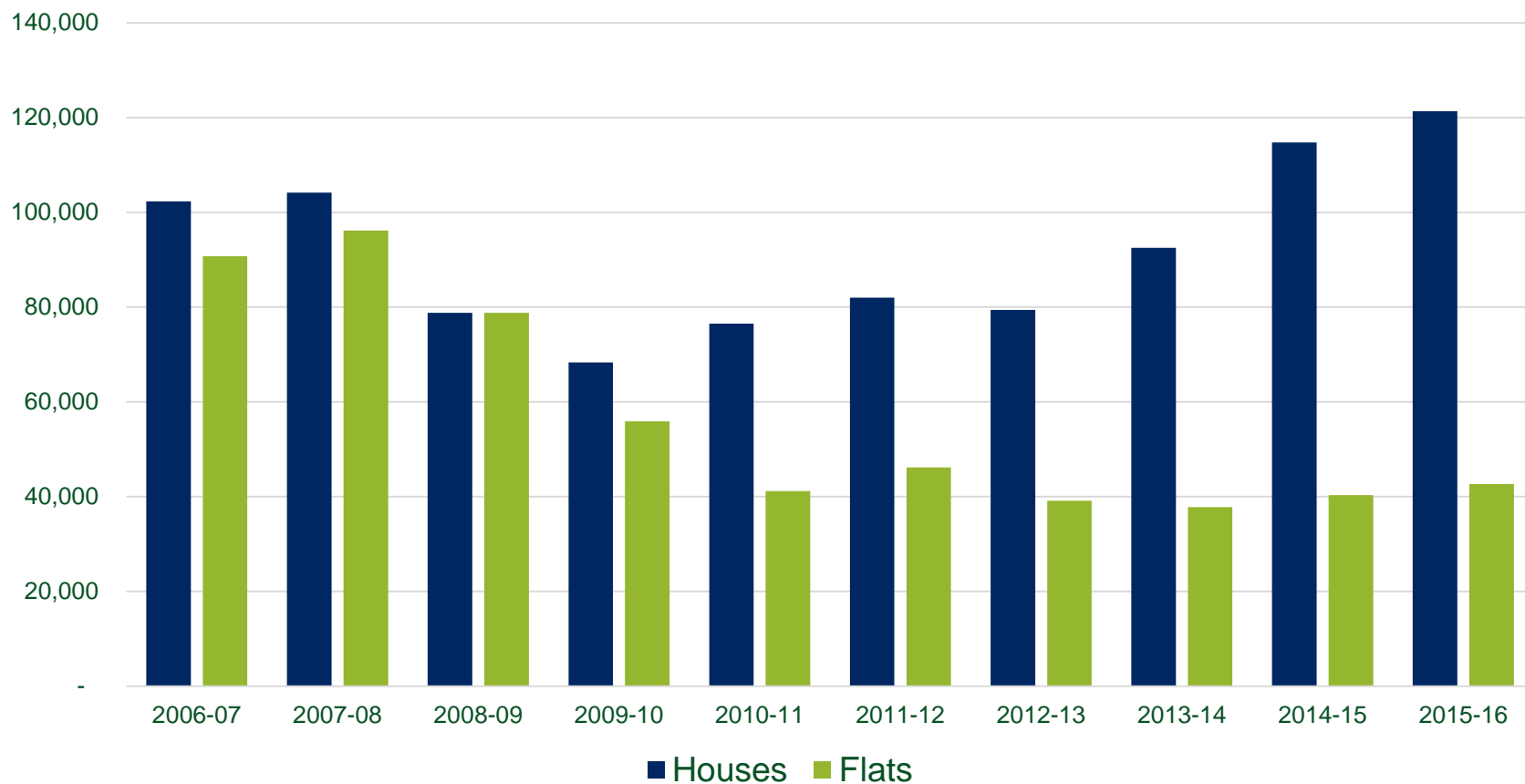


Barratt volume growth





It is not just about numbers



Skills is a balancing act

Supply

- Future talent
- Employee retention
- Recruitment

Demand

- Modern Methods
- Innovation



Government supports off-site construction



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“Government will directly commission housing projects that use offsite construction through a £3bn fund in an attempt to promote innovation in the industry.”

Gavin Barwell, Minister of State for Housing and Planning and Minister for London



“We will encourage new models of building to make houses that people want, more cheaply and at pace. These measures will allow us to get started on 15,000 homes by 2020. We will get more homes built, more quickly.”

Sajid Javid, Secretary of State for Communities and Local Government

But we must not forget Quality & Service



The challenge





Quality and Service challenge



15 February 2017

New homes warranty firm pays millions to leading homebuilders

Construction standards and credibility questioned after it emerges National House Building Council pays £10m a year



January 21 2017

A new-build may not offer a guarantee of serenity

The warranties covering these homes are failing to deliver on their promises, say homeowners

NEW HOME NIGHTMARE Buyers' complaints soar as nearly 300 families a week are forced into shoddy new builds

Families in the UK are being forced to move into poor-quality new-build homes

Why are Britain's new homes built so badly?

We compare UK construction standards to those abroad - and talk to buyers deeply disillusioned by their experiences

New house nightmares: Black mouldstains, builders' mugs left behind and leaks EVERYWHERE as buyers of new build homes reveal their property horrors



February 4

'No one is taking any responsibility for my home'

UK housebuilding MPs call for action on quality of new-build homes



February 7 2017

Calls for the creation of an ombudsman to protect homeowners from sub-standard new houses are intensifying after concerns emerged over the independence of the biggest warranty provider.

In summary

The industry has a responsibility to build:

- Investing in People
 - Investing in Innovation
 - Investing in Quality and Service
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