



# Strategies for house building

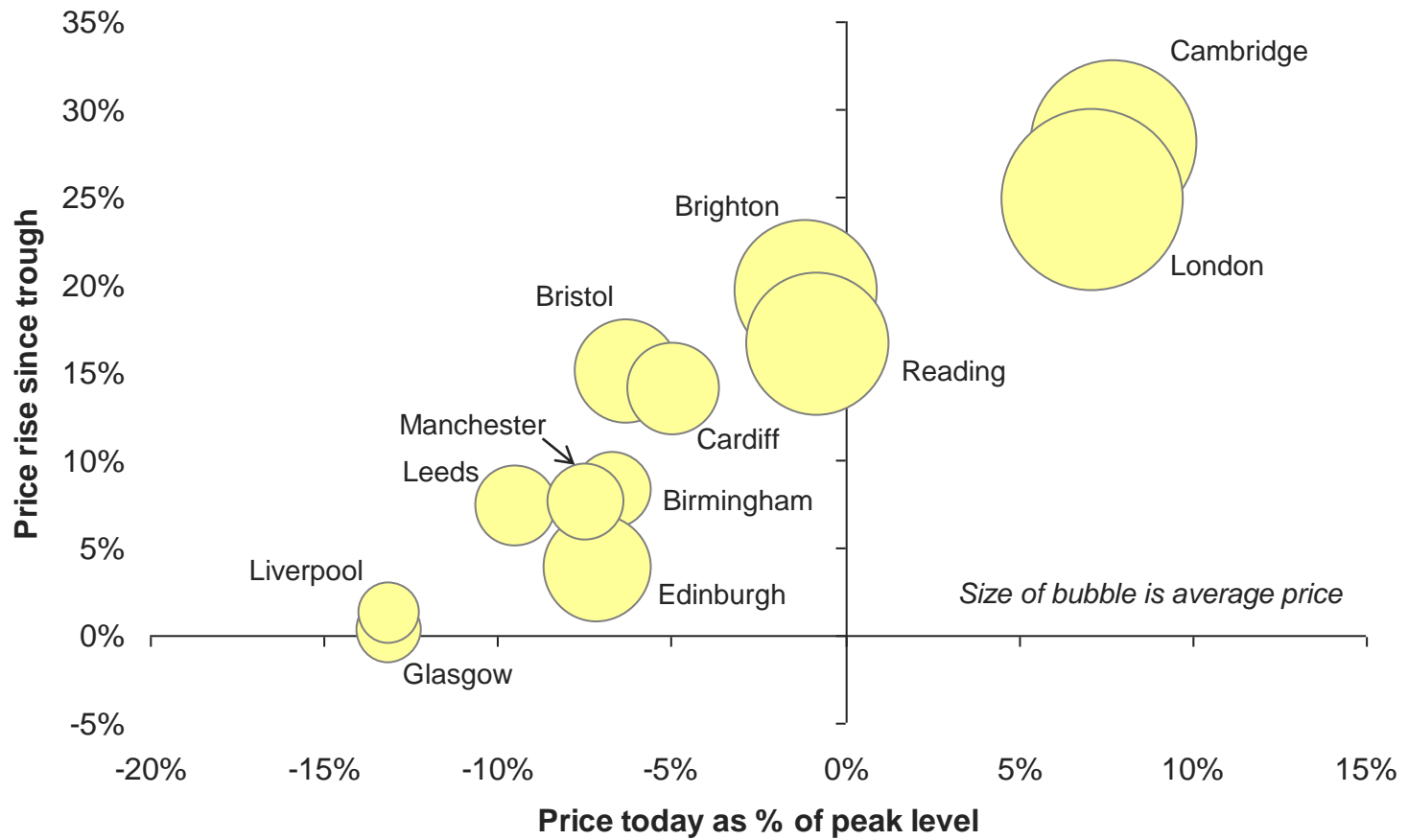
Housing Market Intelligence

3 October 2012

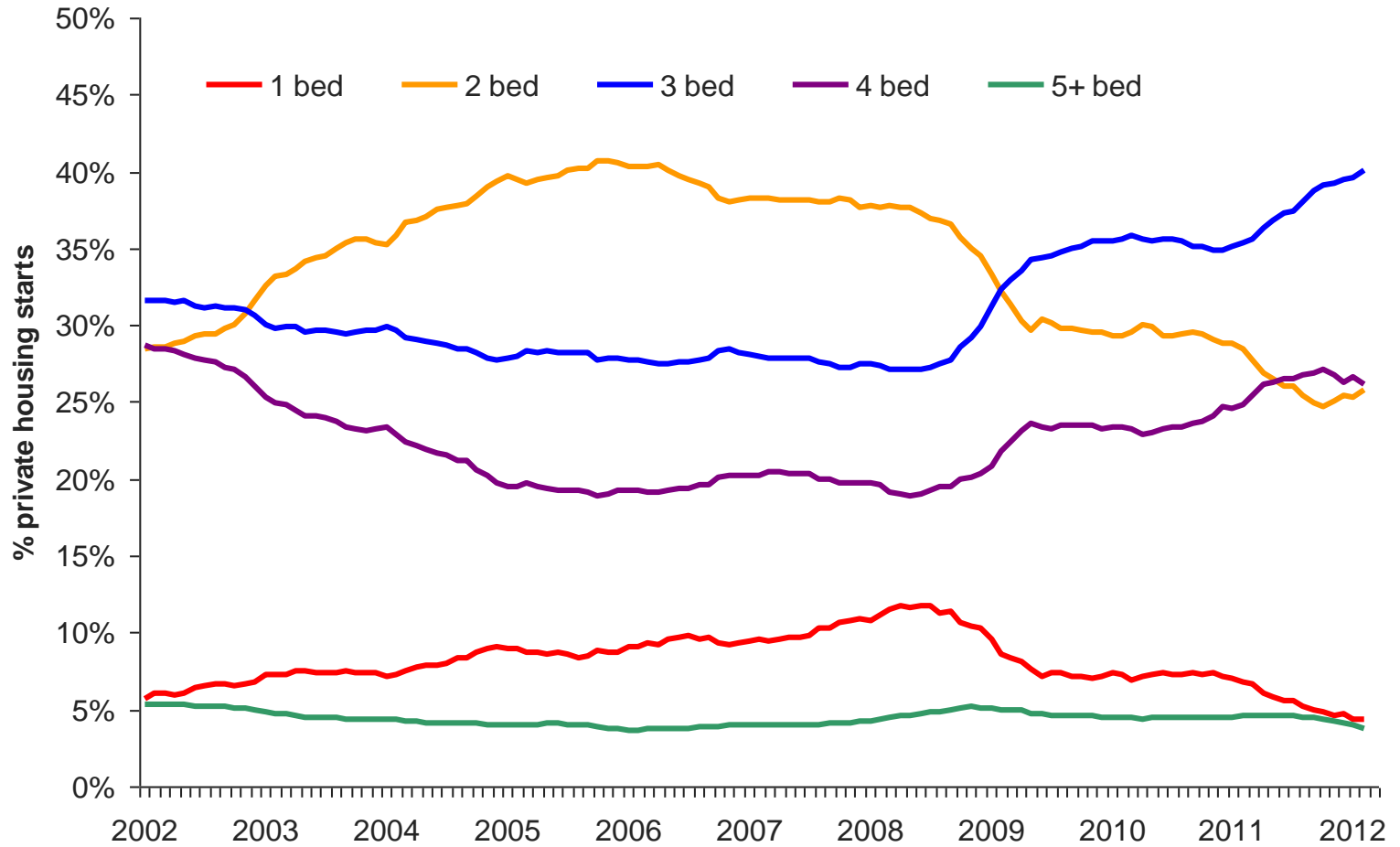
# Outline

- > Strategy to manage the downturn
- > Where we are today – strength of local markets and concentration risk
- > Planning for future profitability – what strategy options ?

# Re-focus towards more buoyant housing markets



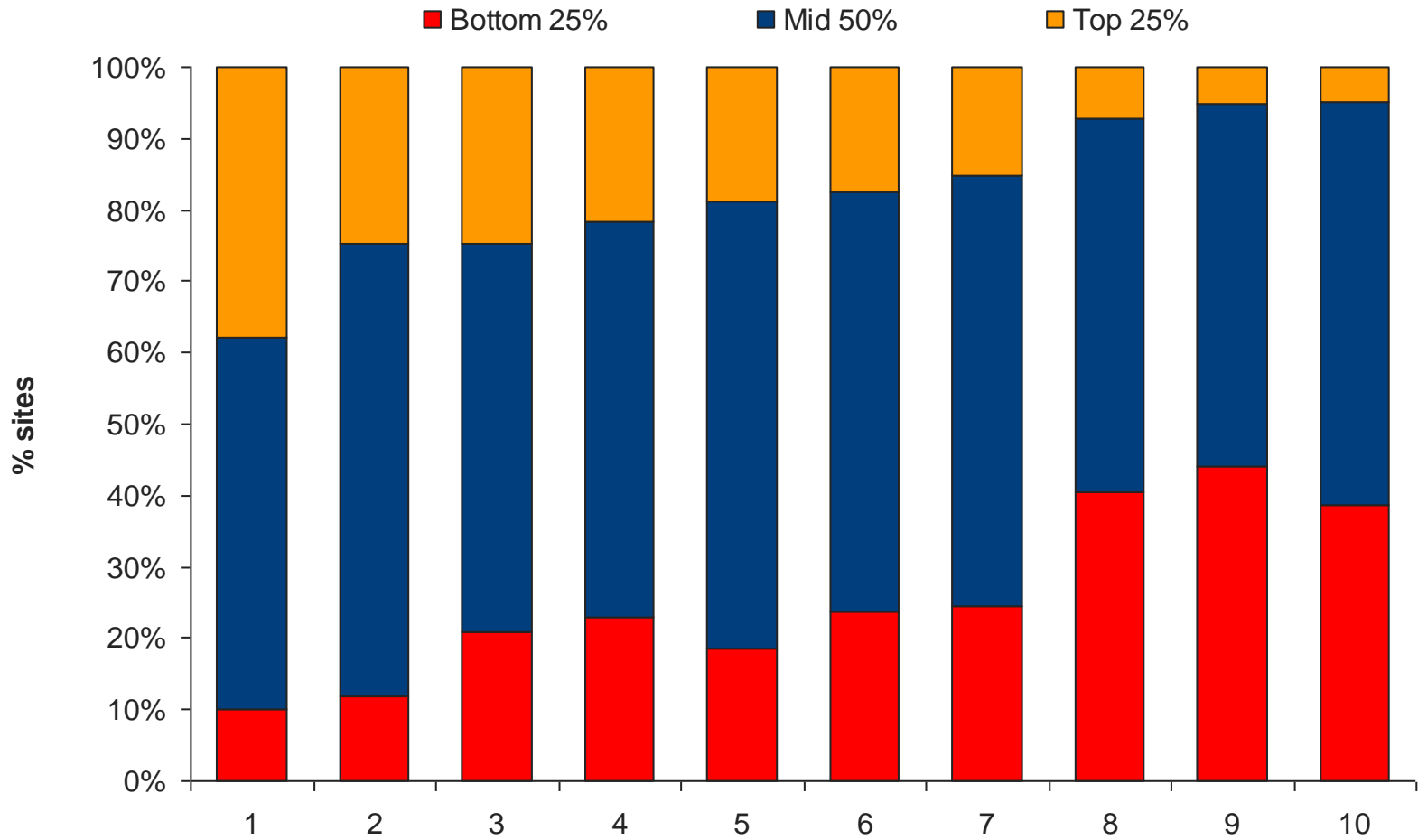
## ... aligned to delivery of more family housing



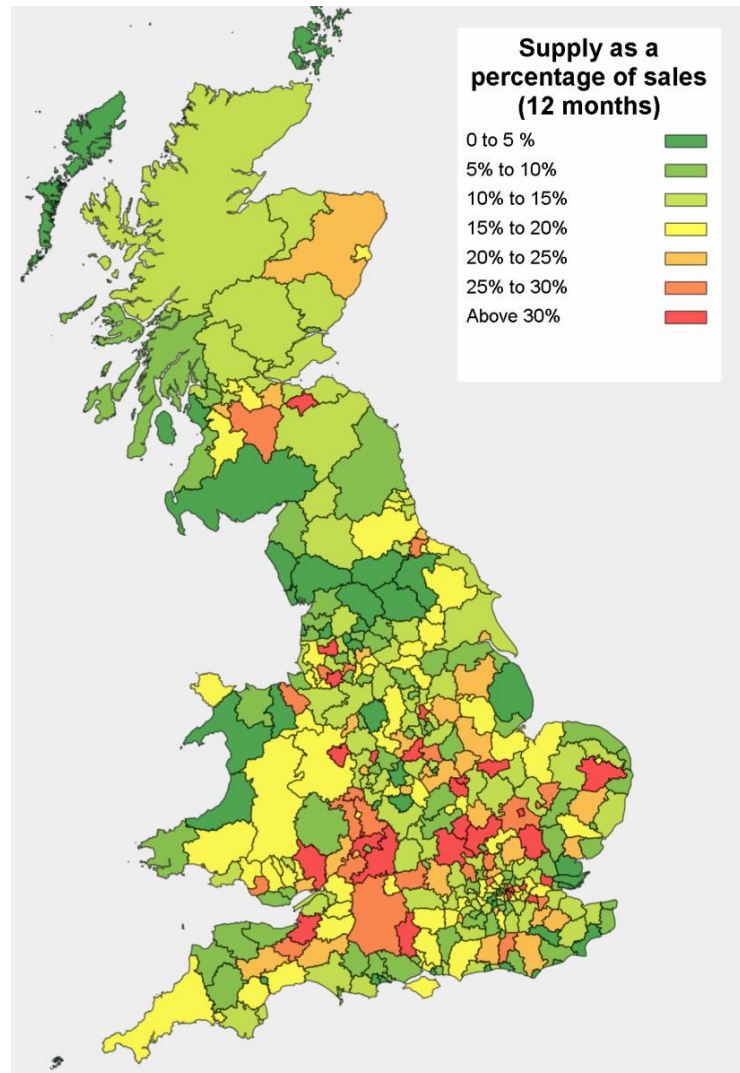
# Above average growth in new build prices since 2008



# % sales outlets by strength of local housing market

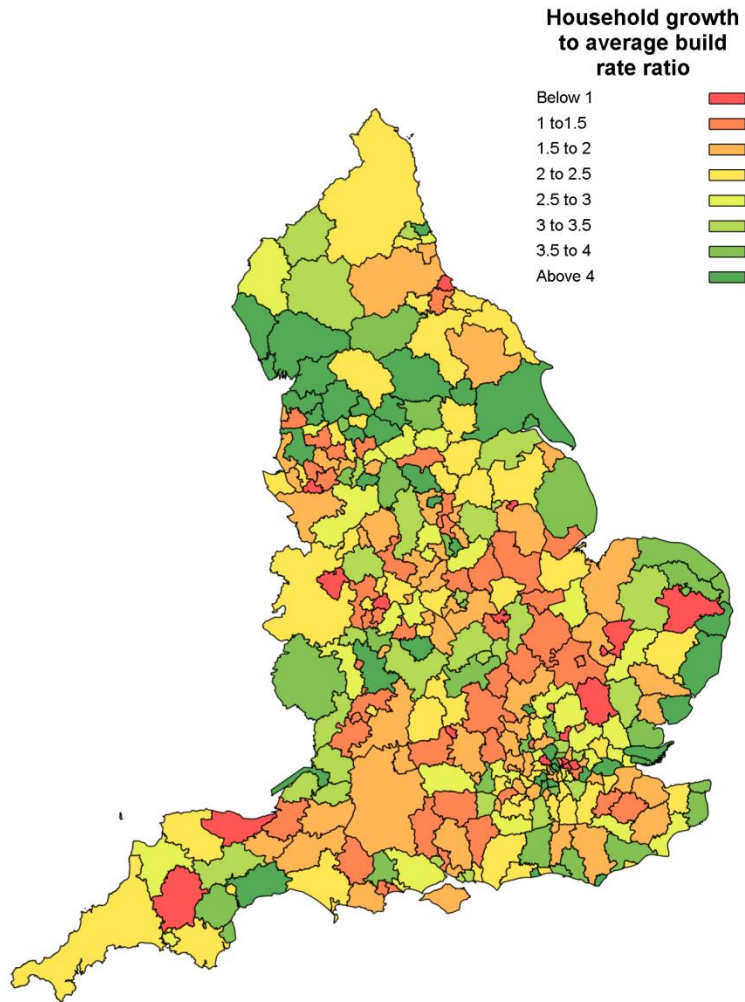


# Same strategies = greater new build concentration risk



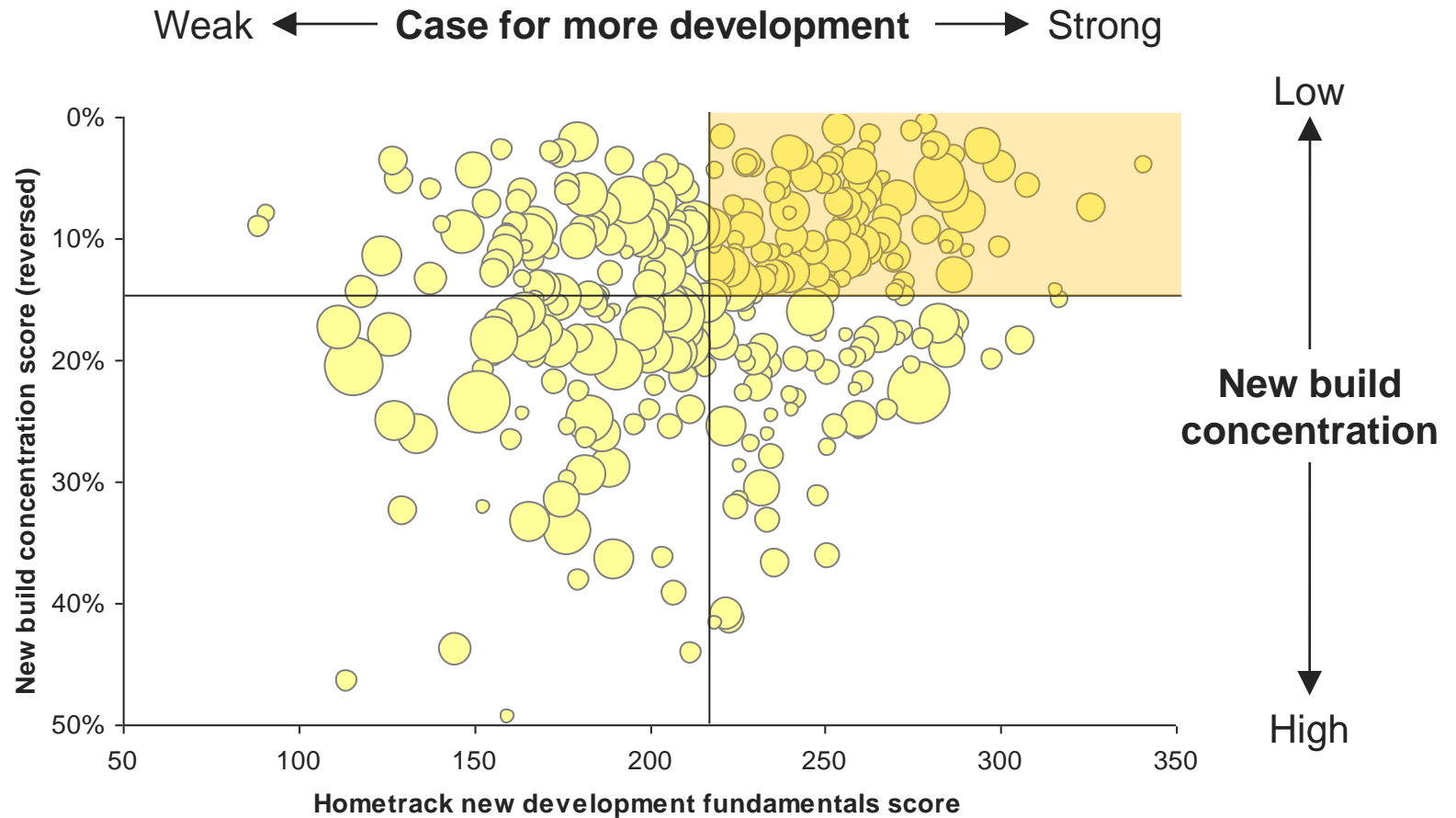
Source: Hometrack

# Market fundamentals / depth of demand





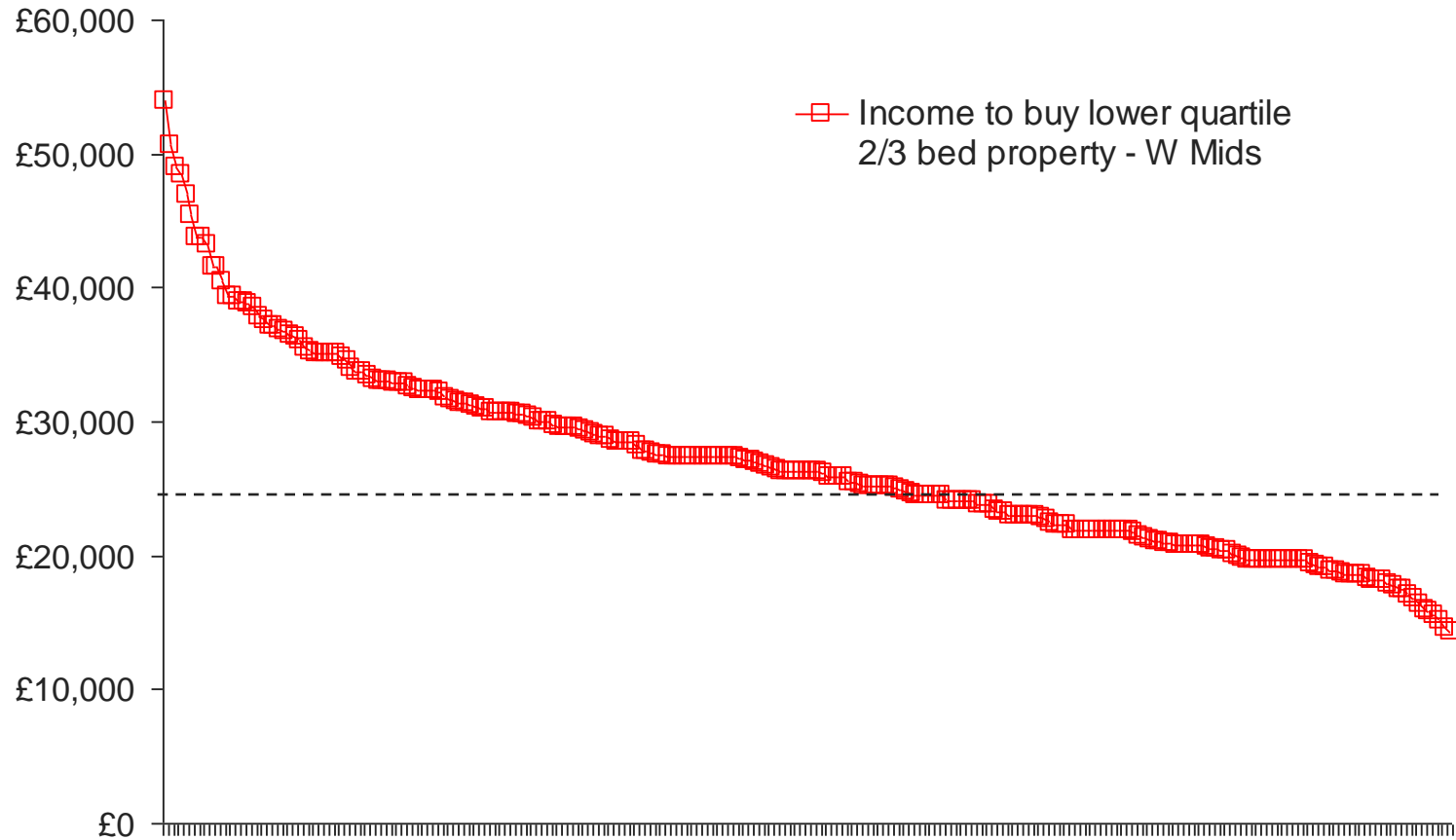
# Market opportunity and new build concentration



# Need to target a wider pool of `intermediate` demand

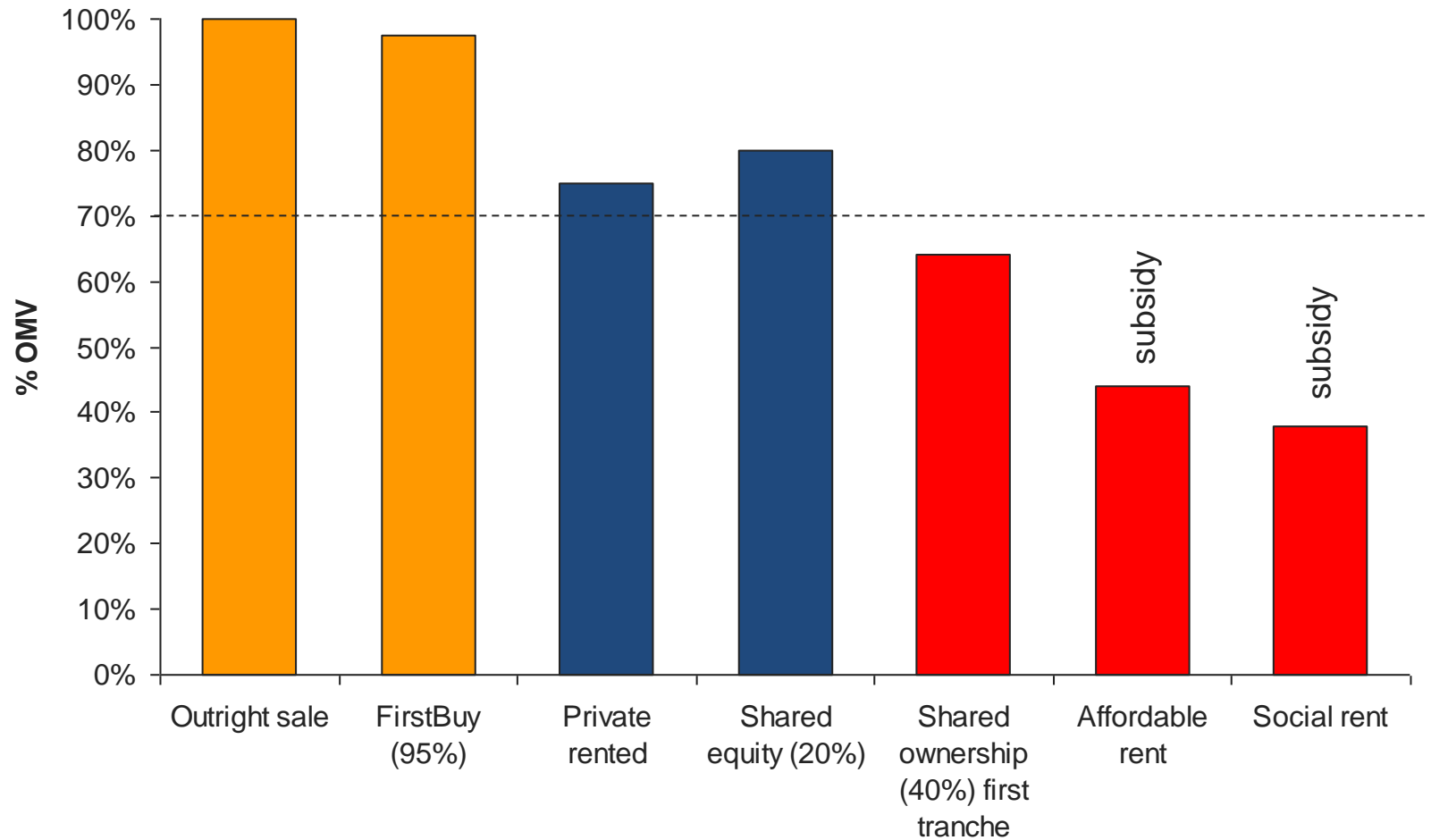


# ... must consider local market dynamics/affordability



# Changing tenures impact on GDV and viability

Indicative value of tenures as % OMV



Source: Hometrack calculations

# Summary

- > Downturn strategy as delivered improved profitability
- > Consider strategy for future and market fundamentals
- > Greater focus on local market affordability and rental tenures

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Hometrack  
6th Floor, Design Centre East  
Chelsea Harbour  
London  
SW10 0XF

[enquiries@hometrack.co.uk](mailto:enquiries@hometrack.co.uk)

[www.hometrack.co.uk](http://www.hometrack.co.uk)