



60 YEARS

**BARRATT**

DEVELOPMENTS PLC

BUILDING EXCELLENCE

SINCE 1958

**David Thomas**

**Housing Market Intelligence Conference**

**October 11<sup>th</sup> 2018**

# Barratt priorities

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**Great places**



**Customer first**



**Leading construction**

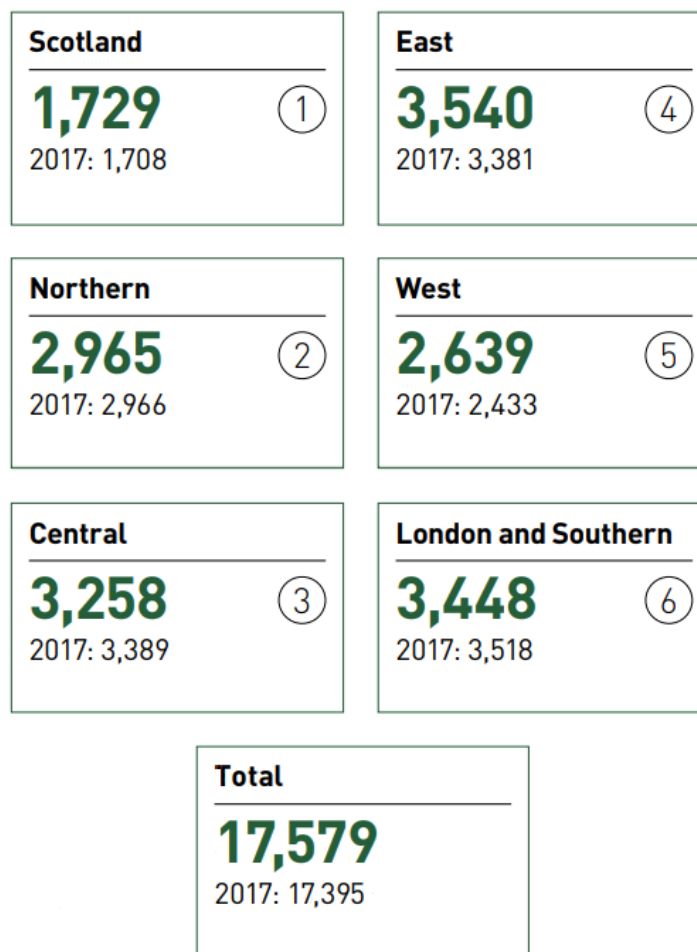


**Investing in our people**











# Barratt overview





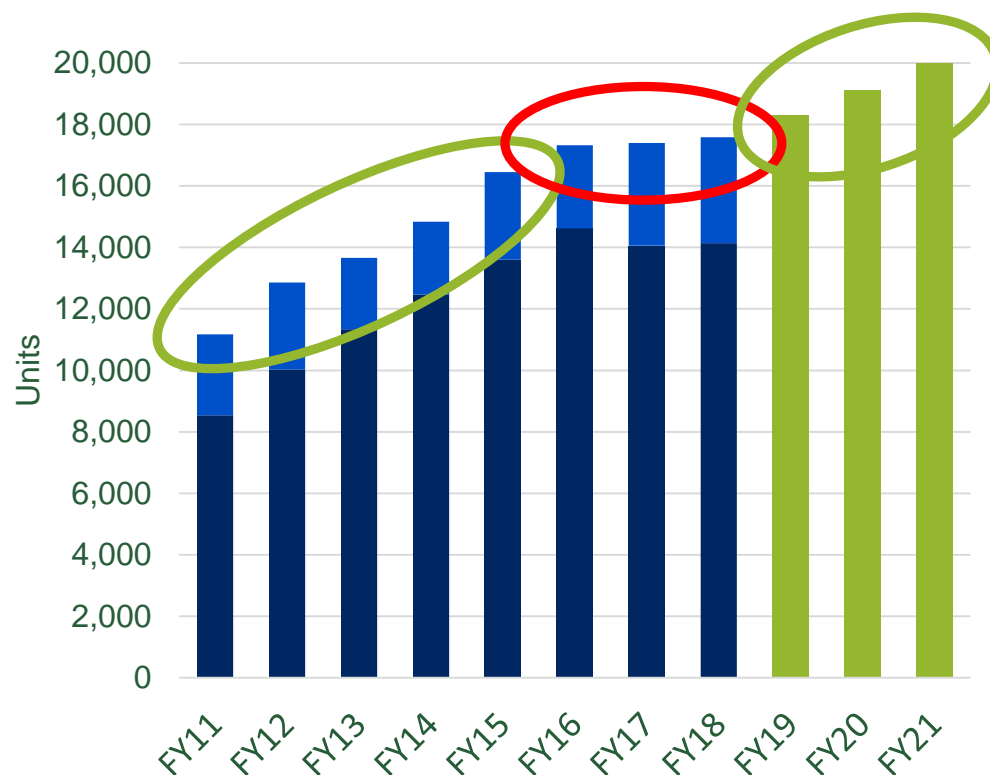
## Barratt footprint

<p><b>£554m</b> Local contributions</p> 	<p><b>12,020</b> Suppliers and sub-contractors</p> 	<p><b>3,436</b> Affordable homes</p> 
<p><b>£934m</b> Land investment</p> 	<p><b>1,162</b> Graduates, apprentices and trainees</p> 	<p><b>45,080</b> Jobs supported</p> 



## We are delivering quantity

- Grown completions by 57% since 2011
- 22,500 affordable completions since 2011
- New medium term target of 3-5% volume growth per annum



## We are delivering quality

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**83** NHBC Pride  
in the Job  
Awards  
– more than any  
housebuilder for  
**14<sup>th</sup>** year








HBF **5 star**  
customer  
recommendation  
award  
– **9<sup>th</sup>** consecutive  
year



**9** site managers  
awarded 'highly  
commended' status  
and **National Award**  
in the Large Builder  
category

# Industry requirements

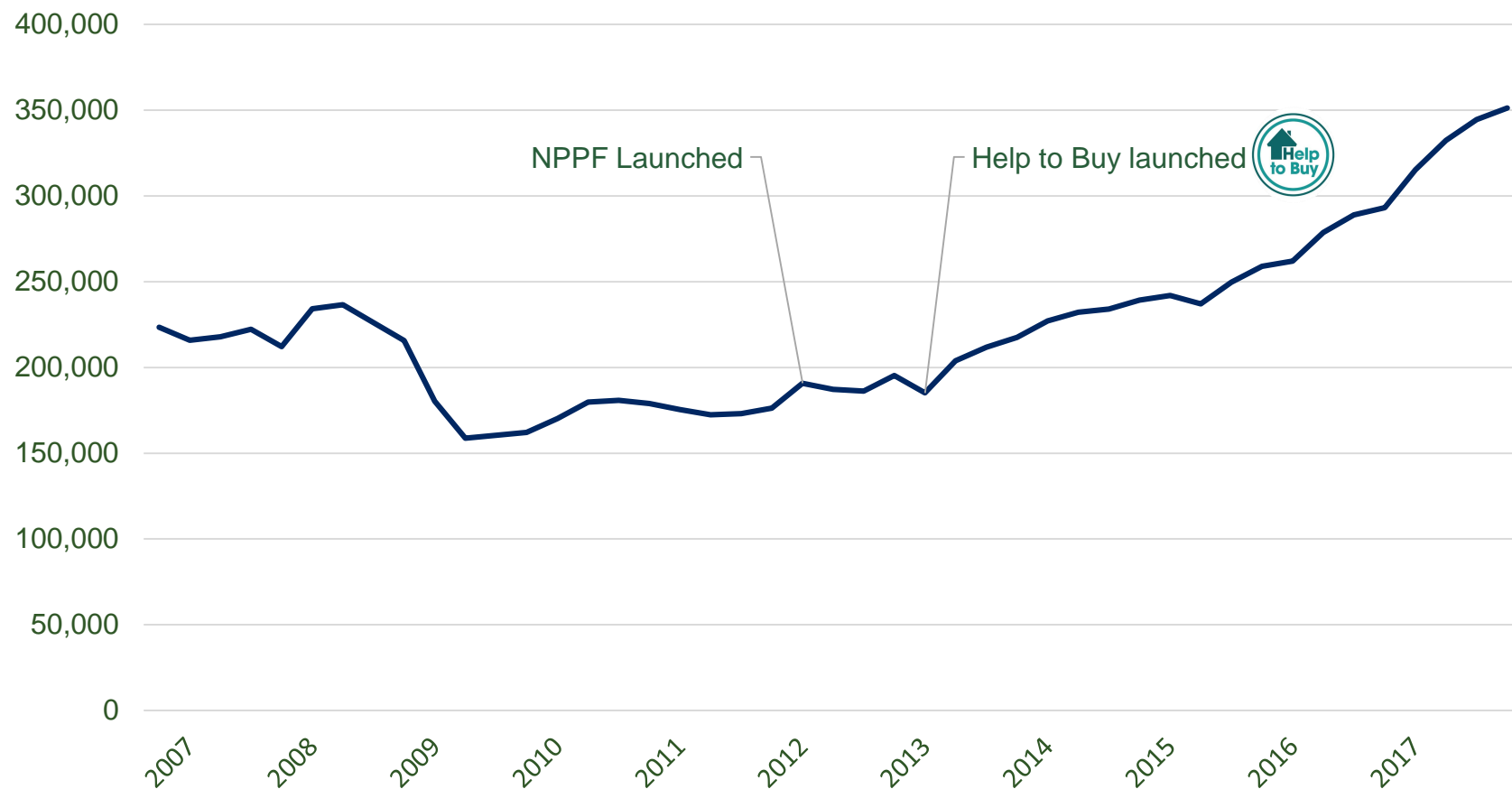
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- 1. Land and Planning..... 
  - 2. Materials..... 
  - 3. Skills ..... 
  - 4. Effective demand..... 
  - 5. Quality ..... 
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# Land and Planning – Approvals

Annual residential planning approvals, England

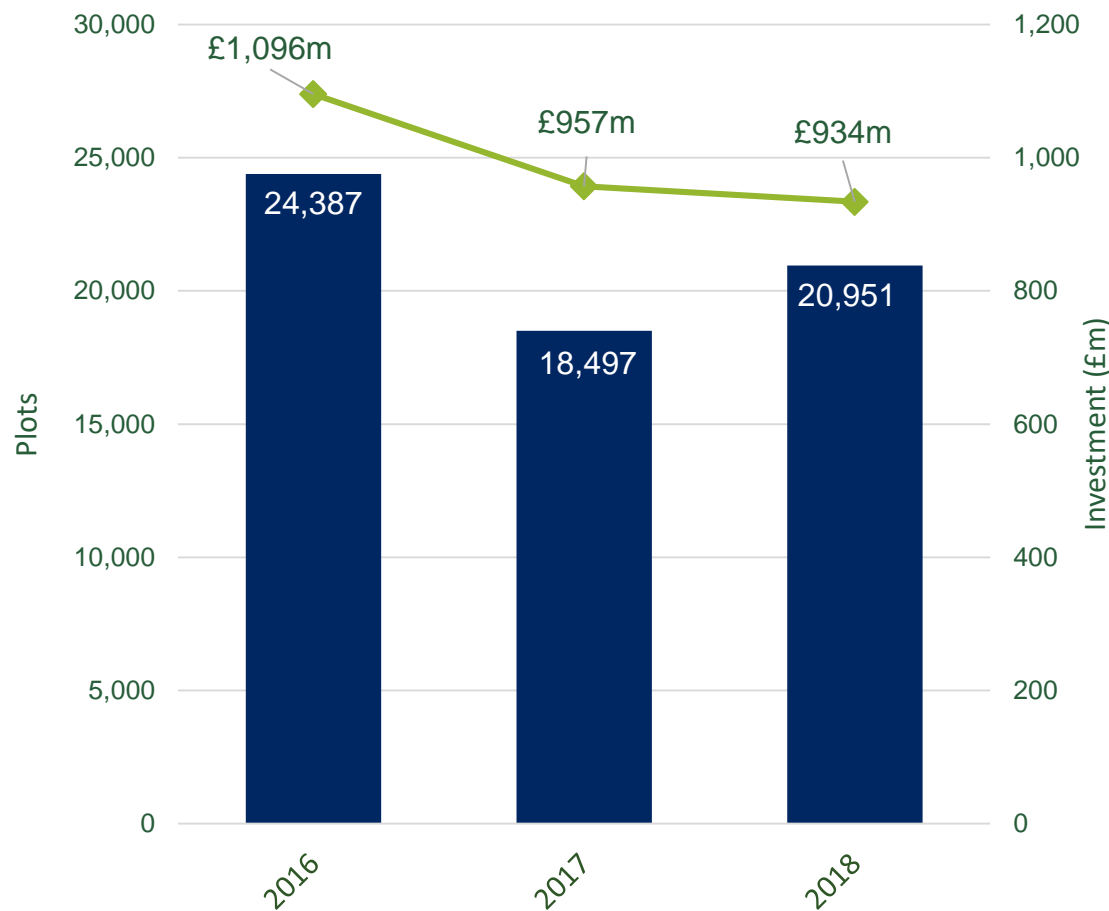






## Land and Planning – Barratt investment

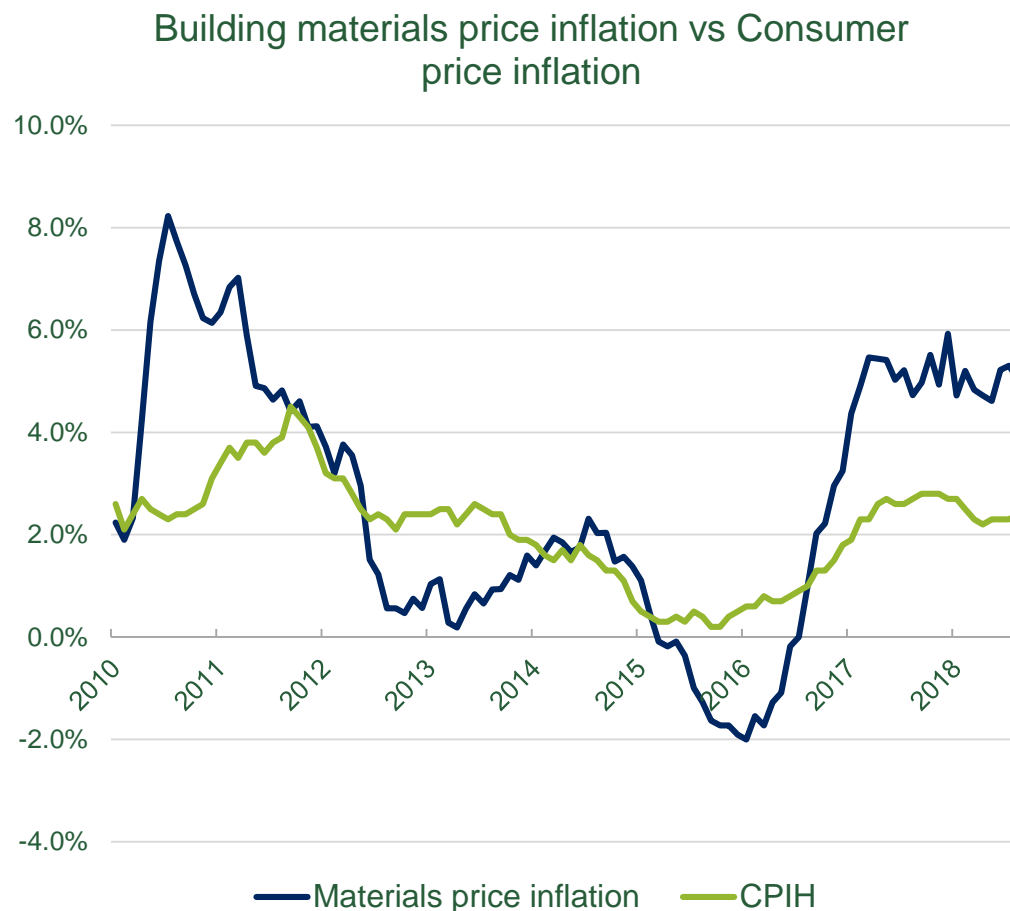
- Over the last three years we have invested almost £3bn in 63,835 housing plots





## Materials - Overview

- Supply chain challenges
- 90% of components manufactured in UK
- Increased use of MMC





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# Materials – Modern Methods of Construction

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- Supply chain evolving
- Scotland
- Synergies will come



**2020**  
**VISION**

## Skills - Overview

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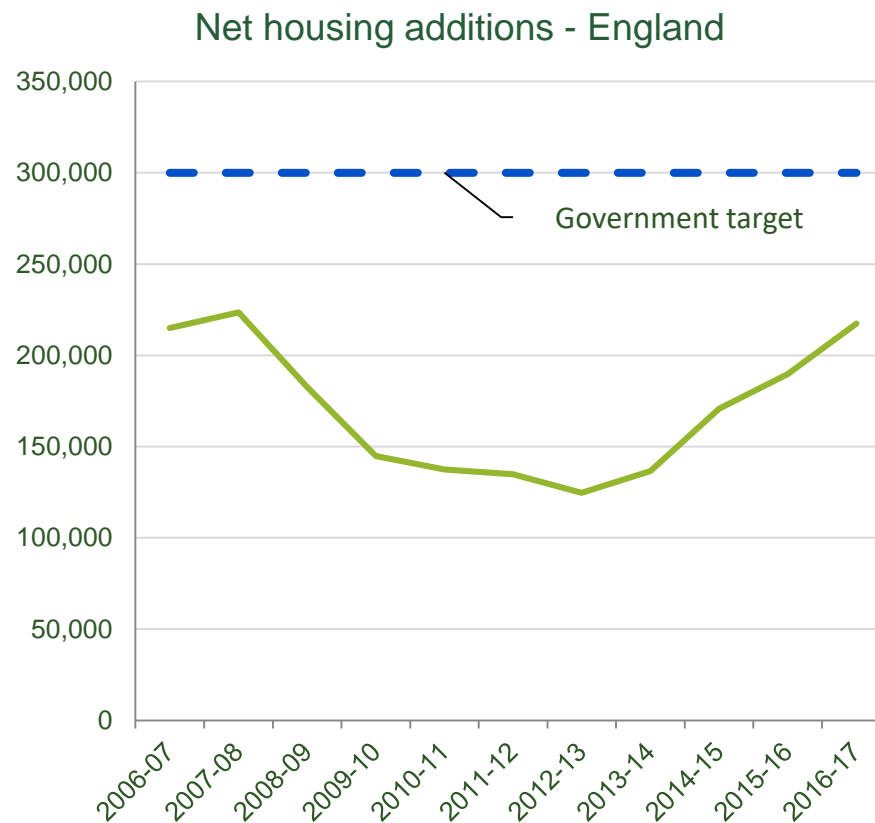
- Existing skills shortage
- Brexit
- Increasing volumes
- Barratt Solutions
  - » Recruitment
  - » Retention
  - » MMC





## Effective demand - Overview

- **37%** of 25-34 years olds are homeowners – down from 59% in 2004
- **1.3m** 25-34 years olds still live with their parents
- Over 80% of people aspire to own their own home





## Effective demand – Help to Buy

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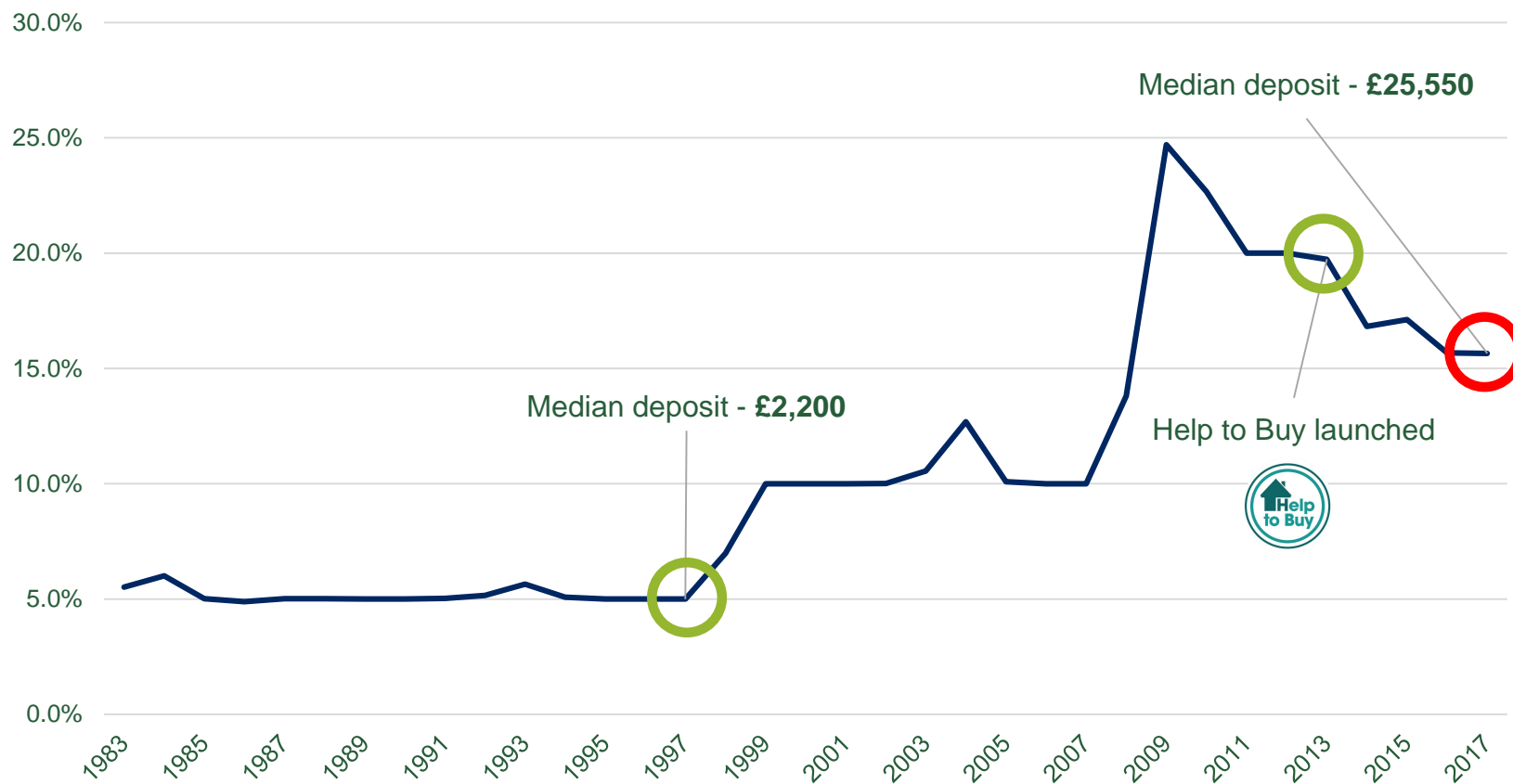
- Since its launch in April 2013 **169,102** properties have been bought using the scheme
- **81%** of sales have been to first-time buyers
- The average purchase price is **£249,530**





# Effective demand - Deposits

Median first-time buyer deposit (as % of purchase price)





## Effective demand - High LTV lending

Only one of the five biggest UK lenders offers 95% LTV lending

Max LTV on new lending	New House	New Flat
Barclays	90%	85%
Halifax	95%	95%
N'wide	85%	75%
NatWest	85%	75%
Santander	85%	80%





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## Quality

**Mirror**

22 APR 2018

Homeowner's £229,000 new-build dream house turns into nightmare with long list of snags

 **EXPRESS** Fri, Apr 20, 2018  
Family's dream home turns into a NIGHTMARE

**THE TIMES**

APRIL 19 2018

New-builds just aren't built to last

**NEWS**

The new homes 'uninhabitable' after less than a year © 19 December 2017

**The Telegraph** 21 OCTOBER 2017  
'Our new [redacted] home is falling apart and our warranty is worthless'

**BirminghamLive**

6 JUL 2018

Young couple's new build nightmare as dream home turns out to be 'house of horrors'

**Mail Online** 1 May 2018  
How the dash to build is turning dream homes into nightmares:

**THE Sun**

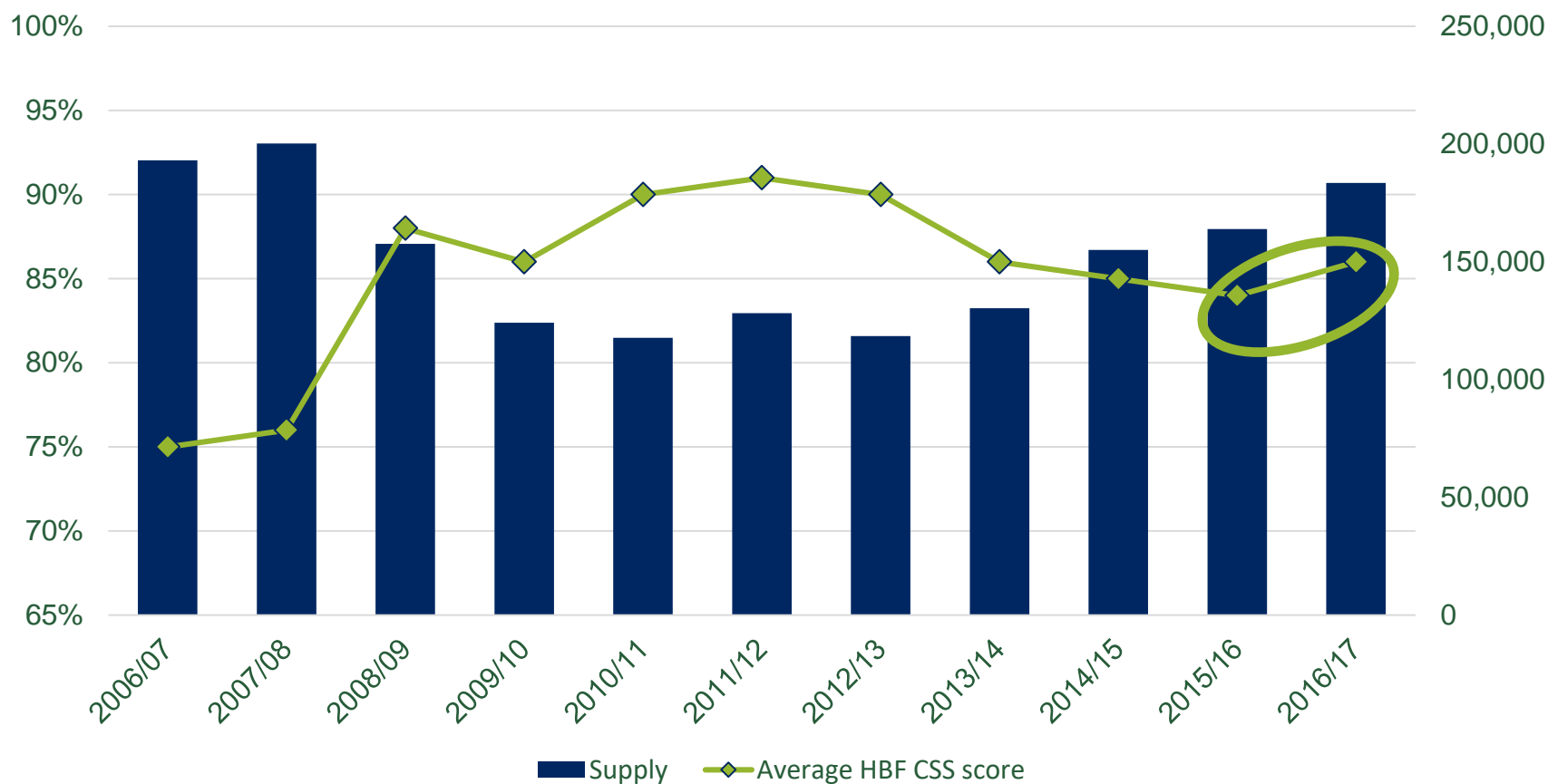
20th July 2018,

**FRIGHTMOVE** Couple living in [redacted]-built home plaster posters on windows warning house viewers not to buy



# Quality

## Average HBF CSS score vs new build completions, England



Source: Live tables on housing supply: net additional dwellings



## Summary

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- Barratt committed to delivering quantity and quality
  - Industry can reach 300k homes
  - Key challenges remain:
    - Skills
    - Effective demand
    - Maintaining quality
  - Government must maintain support
  - Industry must step up to the challenges
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**Thank you**

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