

McCARTHY STONE

Life, well lived

**CELEBRATING AND
SUPPORTING THOSE IN
LATER LIFE**

John Tonkiss, Chief Executive

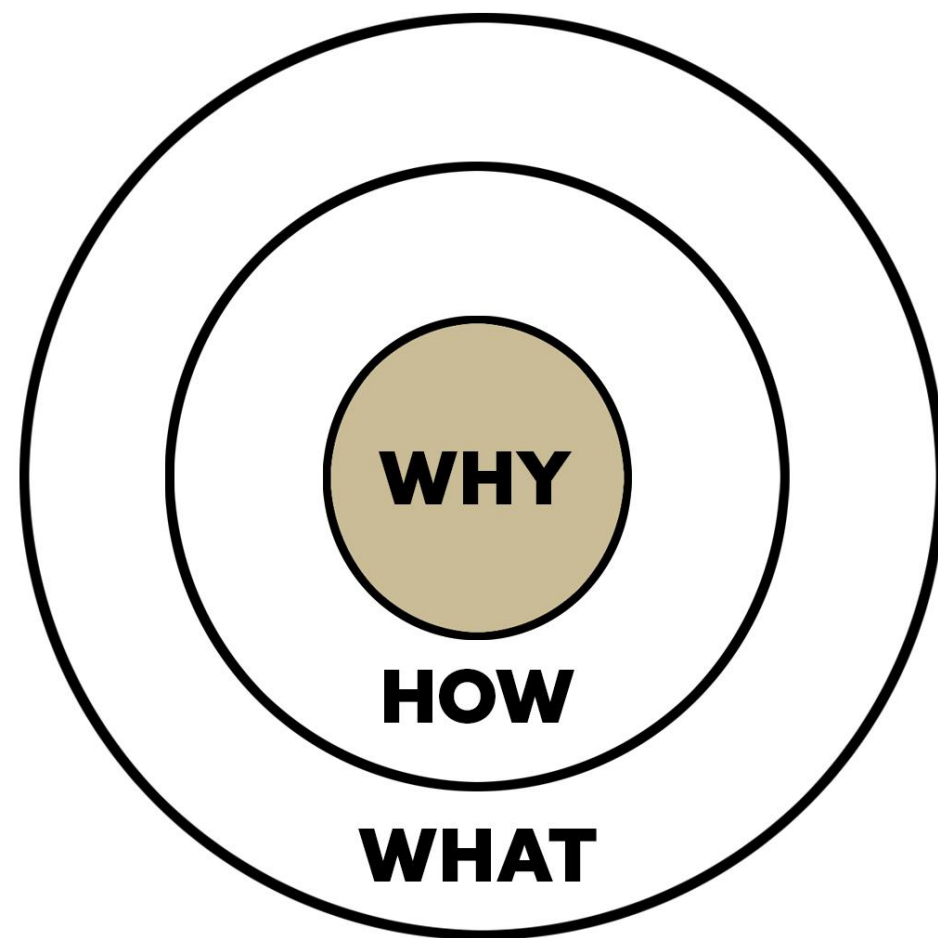
6 October 2022



CAMPBELL HOUSE,
WEYBRIDGE

INTRODUCTION

- Joined in 2014, became CEO in 2018
- Previously COO at Unite Group
- Founded Unite Modular Solutions in 2002



Simon Sinek, Start with Why



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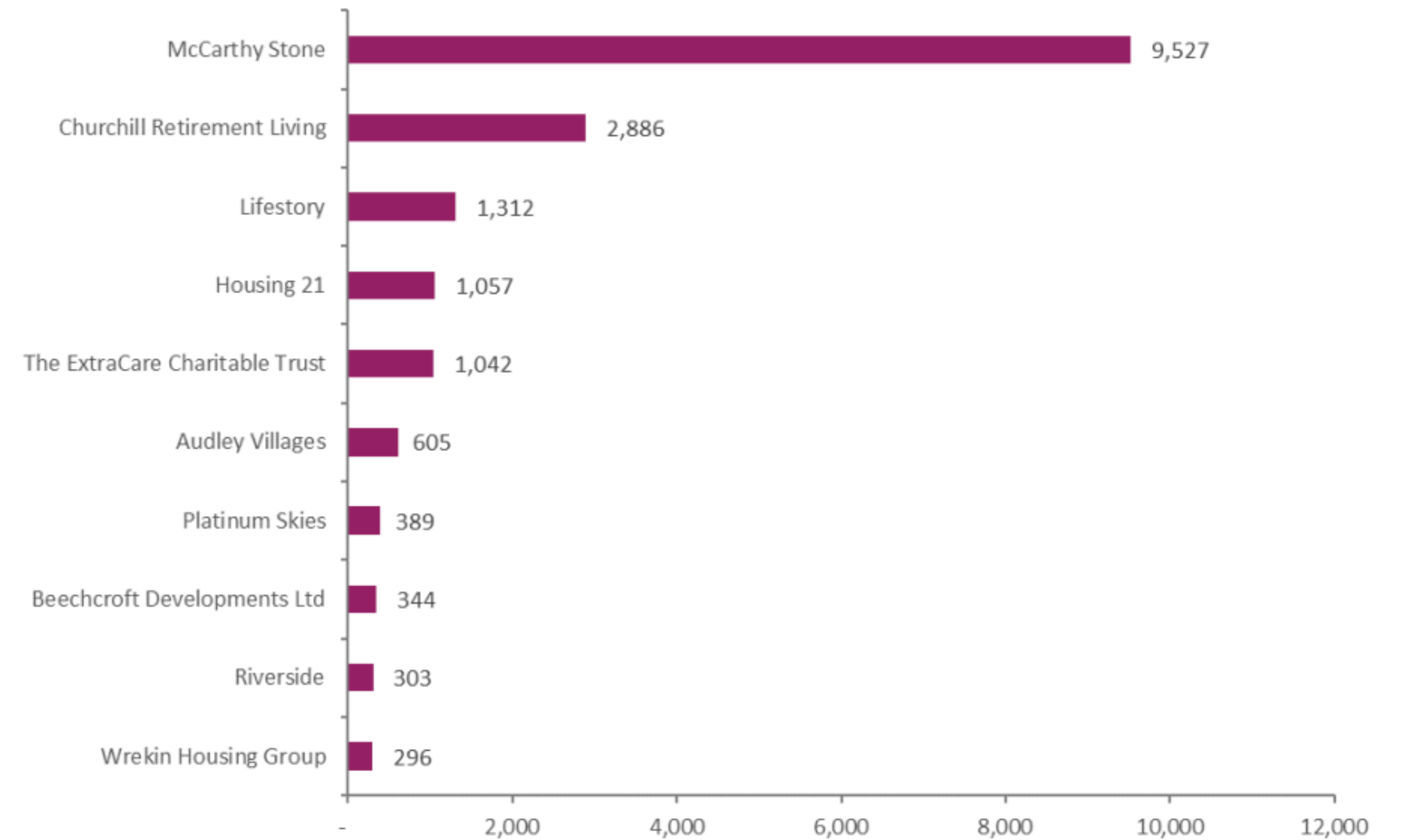
1. Our Market
2. What we do
3. How we do it
4. Why we do it
5. Government's role



OUR MARKET

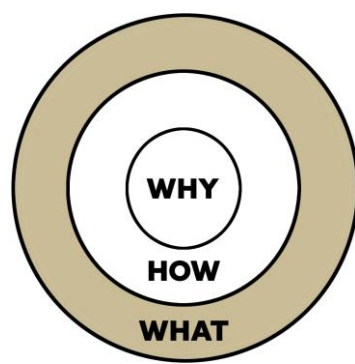
- c.12.5m over 65s
- 2m more older people since 2011
- £3.4tr in equity
- One in four interested in moving
- Demand: 30,000 new retirement properties pa
- Supply is just c.7,500 pa

Top ten retirement developers, by units, UK, 2017-2021



Laing Buisson, 2022

Significant investment opportunity in the later living sector

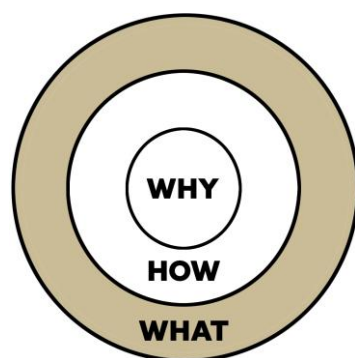


WE CREATE COMMUNITIES

- Our customers want:
 - Independence
 - Companionship
 - To be close to family
 - Maintenance, support and security

- We provide:
 - Supportive communities
 - Contemporary homes
 - Shared areas (lounges, bistros etc)
 - Peace of mind



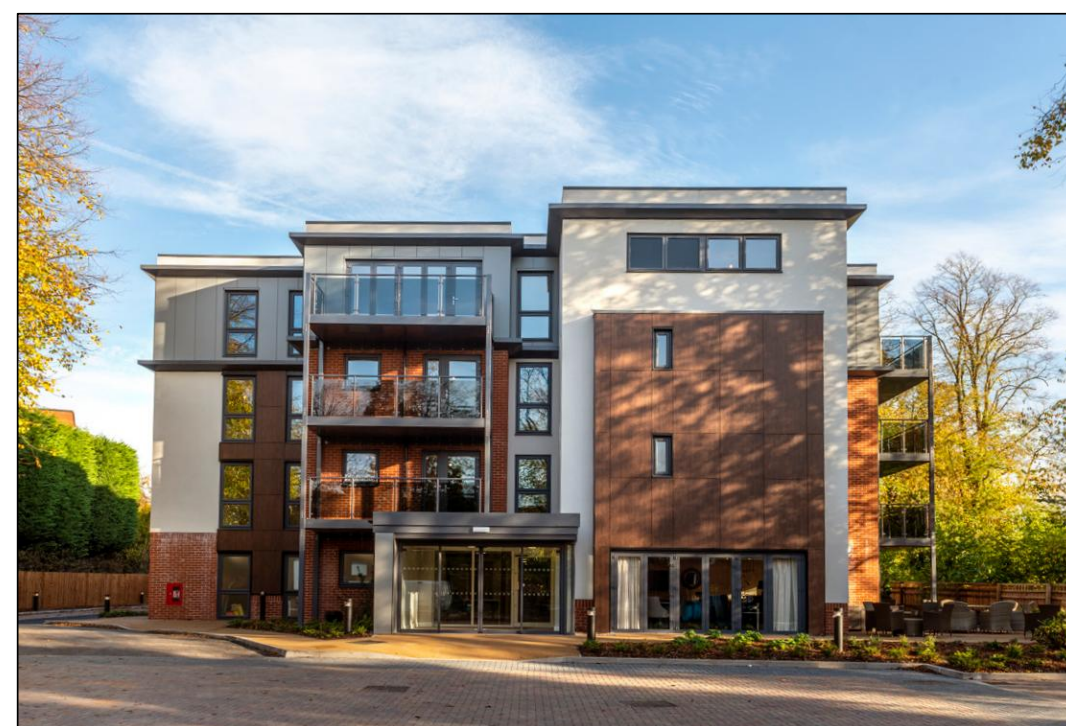


WE PROVIDE A RANGE OF PROPERTY OPTIONS



RETIREMENT BUNGALOWS

- ✓ Provided in stand alone developments or as part of a wider village



RETIREMENT LIVING

- ✓ Private apartment
- ✓ Own front door
- ✓ On-site help as needed
- ✓ Community
- ✓ House Manager



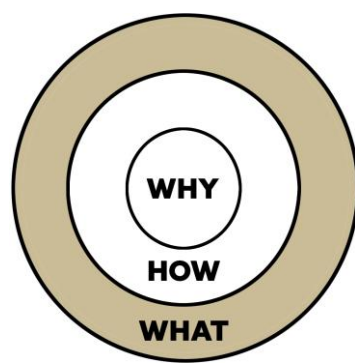
RETIREMENT LIVING PLUS

- ✓ Private apartment
- ✓ Own front door
- ✓ On-site help as needed
- ✓ Community
- ✓ Restaurant/bistro
- ✓ CQC-registered care
- ✓ 24 hour support



RETIREMENT VILLAGES

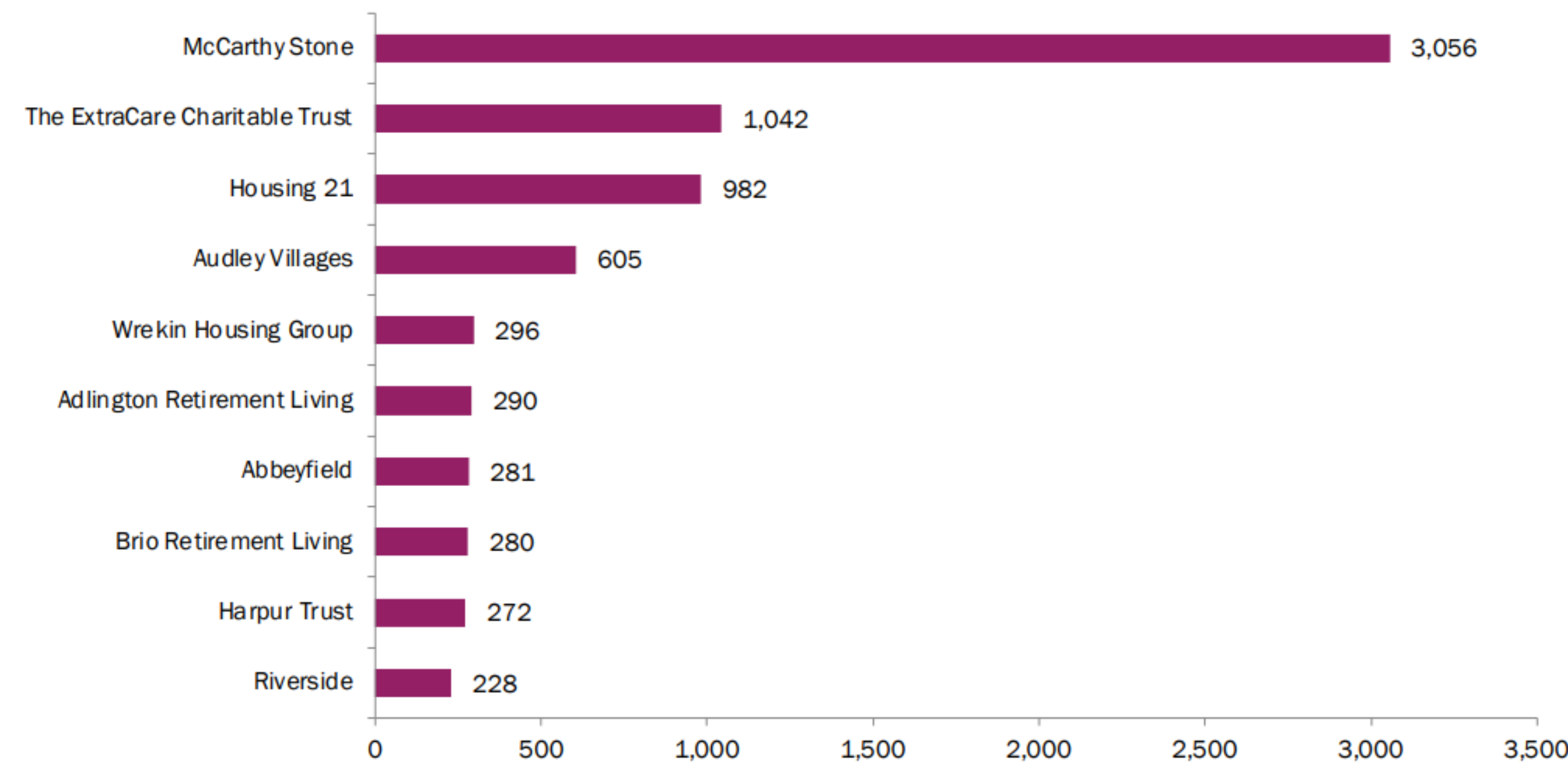
- ✓ Fully integrated retirement villages featuring all three products and shared facilities. First consent in Wimborne for 107 properties, just starting construction



A RANGE OF CARE AND SUPPORT OPTIONS

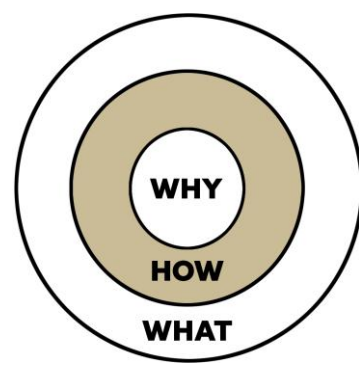
- 21,000+ homeowners and renters
- Housing with care & housing with support
- 500th managed development imminent
- c.1,800 colleagues in service delivery
- Flexible property, care and support services
- 1m meals, 500,000 hours of care pa

Top ten housing with care developers, total stock, 2016-2021



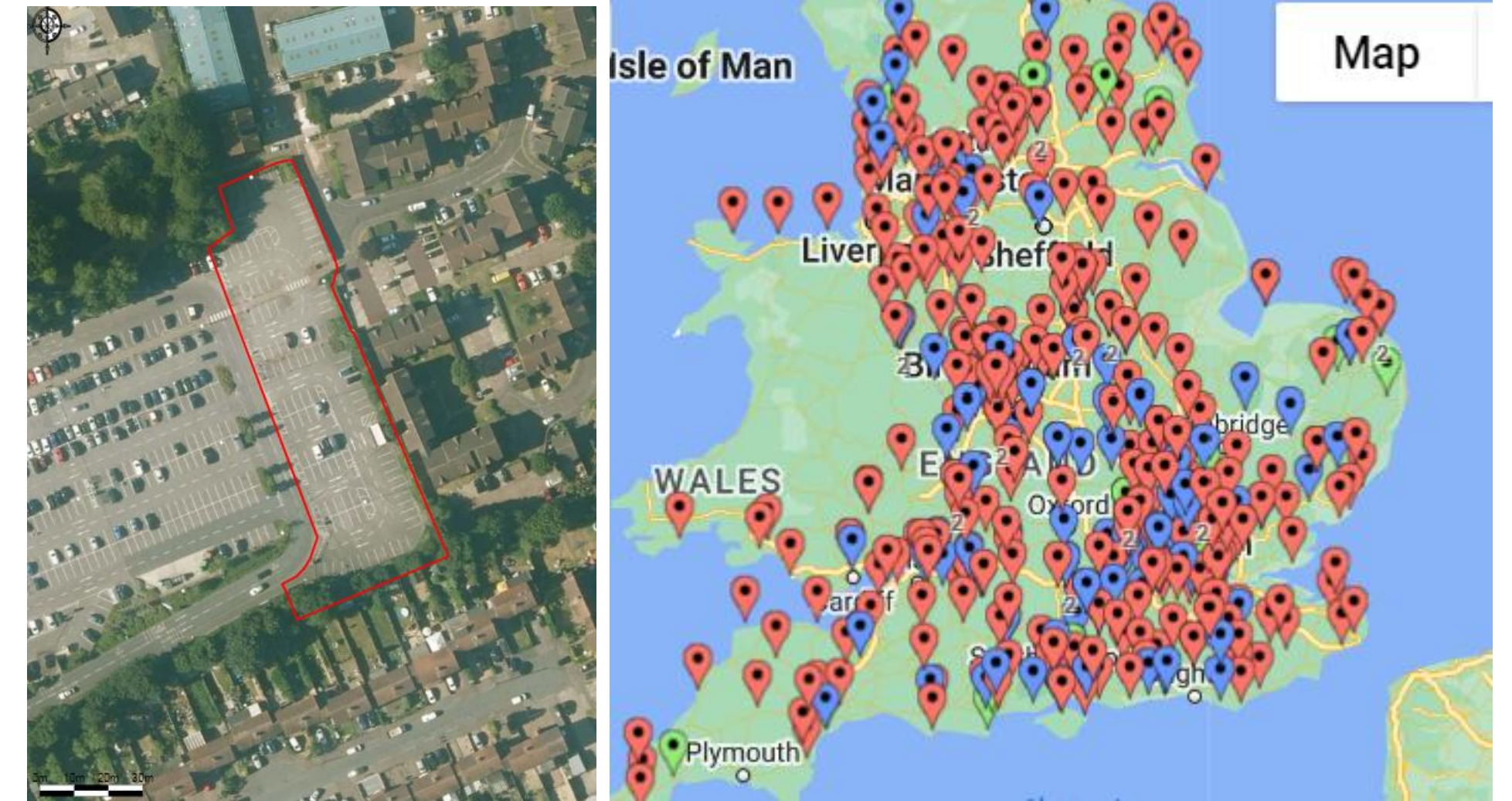
Laing Buisson, 2022

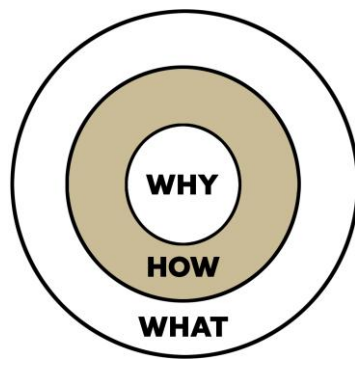
We are the largest developer of new housing with care schemes






SPECIALIST DEVELOPMENT CAPABILITY

- c.2,000+ units a year
- 50-60 sites pa
- 1-3 acres and 40-60 units each
- Town centre, brownfield sites
- Designed around our customers' needs
- In-house planning and design
- Bespoke data model and AI

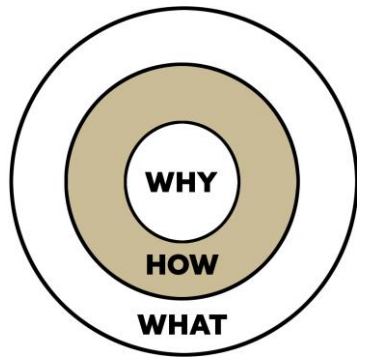




CONSTRUCTION & MMC EXPERTISE

- In-house construction teams
- National sub-contractor network
- 49 sites under construction today
- Four divisions, c.800 colleagues
- Maximise use of MMC:
 - 25% to 50% of sites
 - More factory content
 - 20%  sustainable
 - 30%  faster
 - 50%  fewer defects





DEEP CUSTOMER INSIGHT

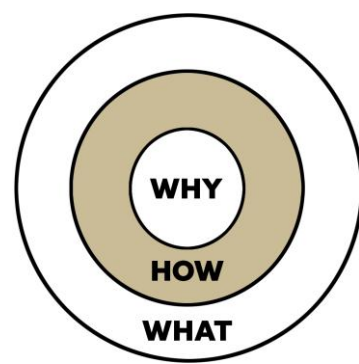
- Established market leader
- New contemporary brand
- Deep understanding of our customers' needs
- Vision for later life in Britain

 Trustpilot



TrustScore 4.8 | 1,027 reviews





CHOICE OF TENURES TO WIDEN ACCESS

New tenures in 2019 – private rent and shared ownership



£300M

Rental partnership with John Laing

GEOGRAPHIC MIX FOR RENTALS	
London & South East	27%
Midlands	23%
North	29%
Southern	21%

APARTMENT FOR MIX	
One Bed	59%
Two Bed	41%

c.30%

Of our business is now private rental or private shared ownership

c.800

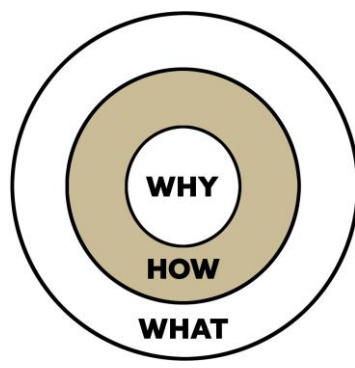
Private rentals since launch in 2019

PRODUCT MIX FOR RENTALS	
Retirement Living	58%
Retirement Living PLUS	42%

AVERAGE RENT RETIREMENT LIVING*	
One Bed	£1,398
Two Bed	£2,037

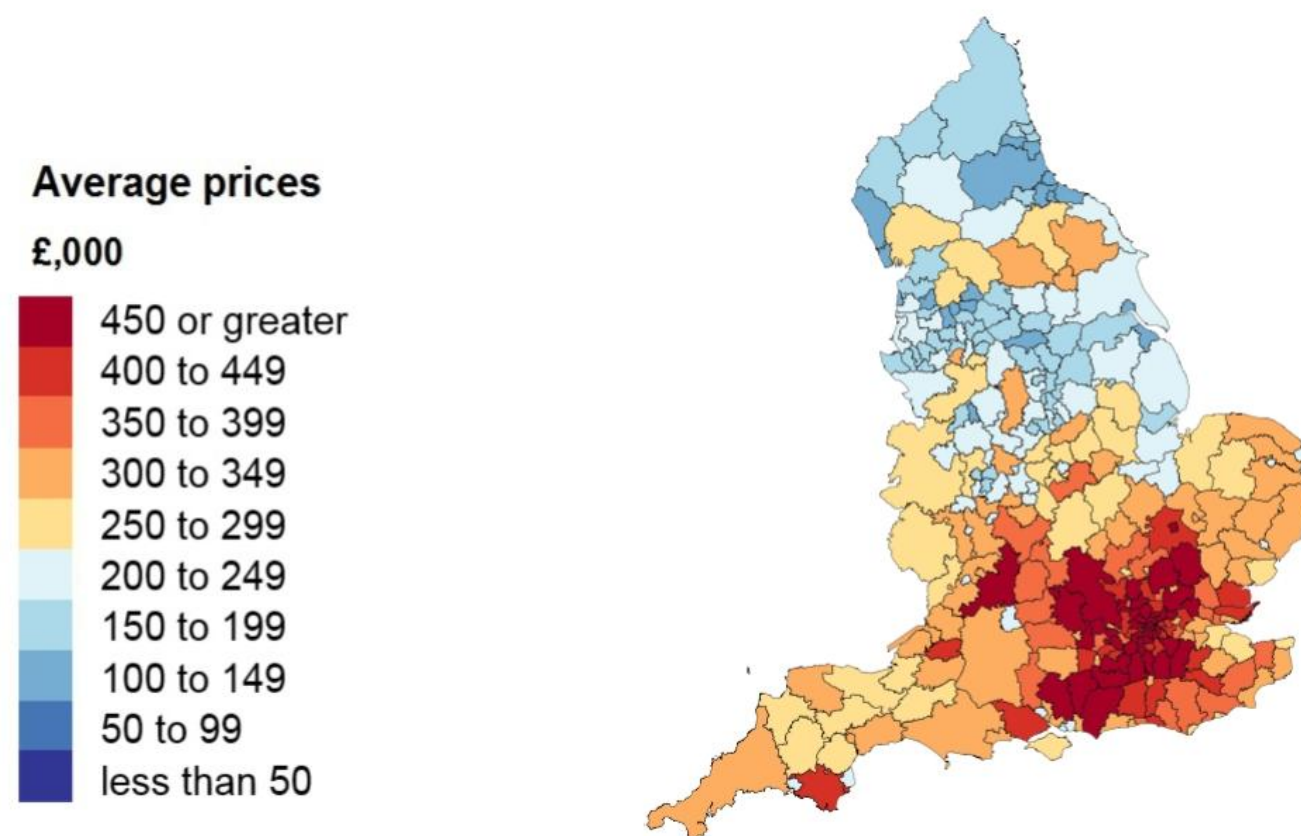
AVERAGE RENT RETIREMENT LIVING PLUS*	
One Bed	£2,465
Two Bed	£3,562

*Monthly cost, includes service charge & ground rents.



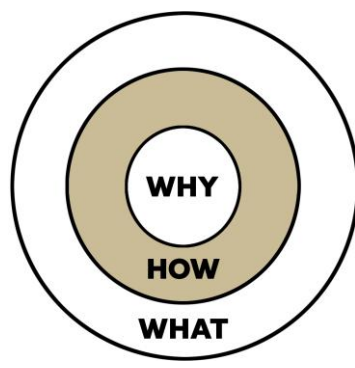
IMPROVING AFFORDABILITY THROUGH NEW PARTNERSHIPS

- **Homes England: We became a Registered Provider and Strategic Partner in 2021**
 - c.£94m in grant funding for 1,500 affordable shared ownership units
- **Anchor: 'Affordable for all' development partnership**
 - c.1,000 units across eight new retirement villages
 - Larger sites with both of our core products



Average house prices, 2022 (Land Registry)





DELIVERING FLEXIBLE SERVICES

INTEGRATED

- Developer
- Landlord
- Managing agent

LIFESTYLE SUPPORT

- Shopping
- Hospital visits
- Handyman service

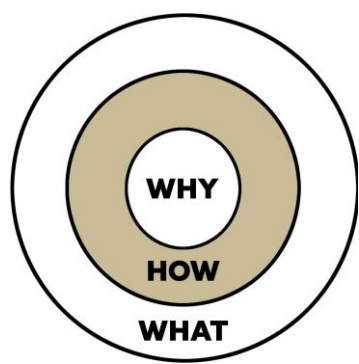
PERSONAL SUPPORT

- Bathing and showering
- Medical support
- CQC care

DOMESTIC SUPPORT

- Cleaning
- Personal laundry service
- Meal planning

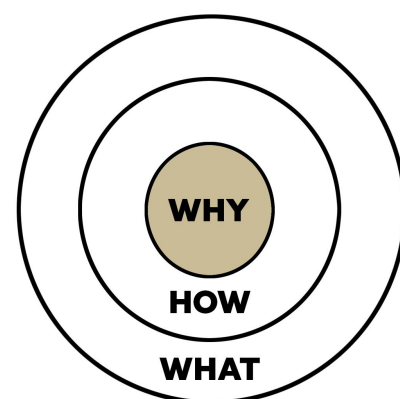




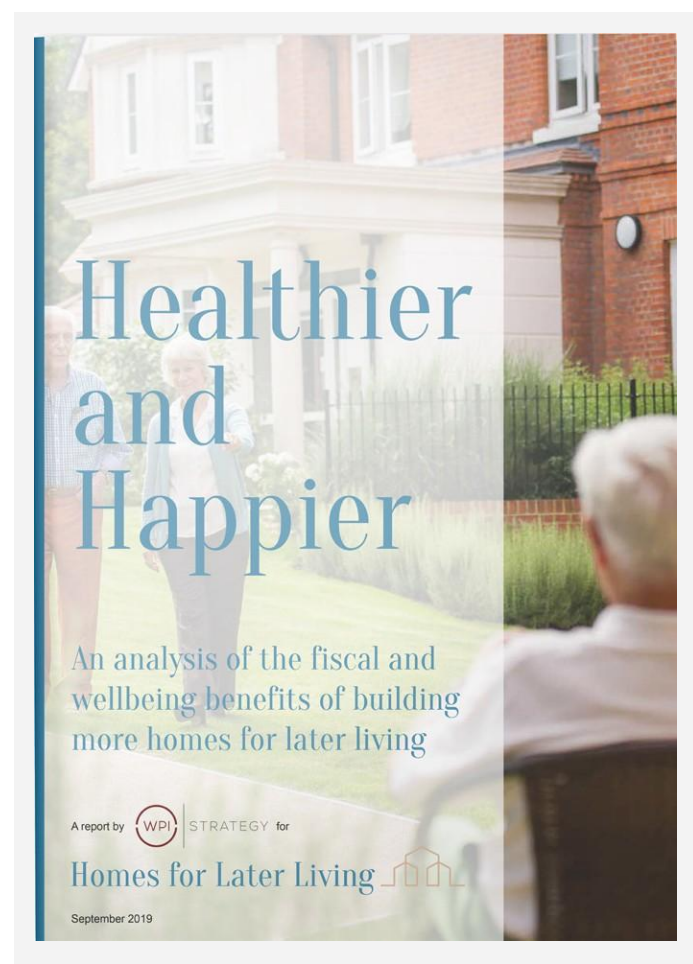
OUR PEOPLE ARE KEY TO OUR SUCCESS

- Certified as a Great Place to Work
- 130+ apprentices
- Two-day employee volunteering
- Charitable Foundation established in 2020
 - Aim to deliver £1m of social value pa





WE TRANSFORM LIVES AND SOCIETY



HEALTHIER AND HAPPIER

- **£3.5k saving** / person / year to health system
- An 80 year old **feels like a 70 year old**
- Potential **£2.1bn saving** / year to state



CHAIN REACTION

- **c.3m** older people looking to **downsize**
- Would free up **2m spare bedrooms**
- **2 in 3 chains** end with a first time buyer



SILVER SAVIOURS

- **Most economic value** of any residential development
- **£13m of GVA** per scheme over lifetime
- **£550k spent** by residents/scheme/year



SUSTAINABLE LIVING

- **2 tonnes of CO2 less** / year than new house
- **9/10 sites are brownfield**
- **10% biodiversity gain**
- **Net zero** from 2030

WHAT OUR CUSTOMERS SAY



McCARTHY STONE

Life, well lived

the private rented market and particularly those on the lowest incomes. Further detail will be set out once the Decent Homes Standard review has concluded.

For those who live in poor quality social housing, the UK Government will legislate to deliver commitments made in the Social Housing White Paper by bringing forward a Social Housing Regulation Bill. Residents will be given performance information so they can hold their landlord to account, and ensure that when residents make a complaint, landlords take quick and effective action to put things right. The UK Government will take a robust approach to landlords who fail to address these issues, including ensuring that the regulator can issue unlimited fines for the worst offenders.

Addressing poor energy efficiency by targeting retrofit funding at the worst performing homes and those least able to pay. The £2.2bn funding through the Home Upgrade Grant, Social Housing Decarbonisation Fund and Boiler Upgrade Scheme, will help to improve energy efficiency, reduce carbon emissions and lower energy bills. The Future Homes Standard and Future Buildings Standards will also ensure new homes and buildings reach much higher energy efficiency standards.

For older people trapped in non-decent or unsuitable accommodation, the UK Government will work to increase the choices available to them. A new Task Force will be launched shortly to look at ways better choice, quality and security of housing for older people can be provided, including how to address regional disparities in supply of appropriate and where necessary specialised housing.

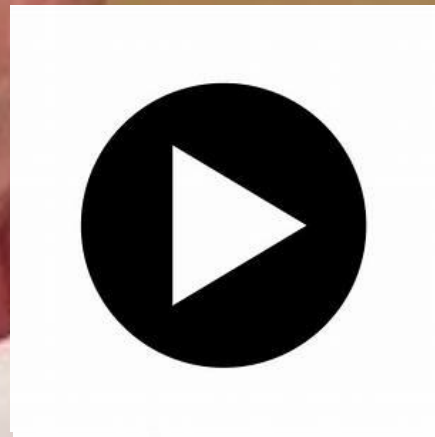


GOVERNMENT: UNLOCKING OUR SECTOR'S GROWTH POTENTIAL

- Reform needed to unlock potential:
 - Planning
 - Homes England
 - Stamp duty
 - New tenure and commercial model
- Government must confirm plans for the older people's housing taskforce

“IT IS UNACCEPTABLE THAT SO MANY ARE LIVING IN NON-DECENT HOMES.”

OUTTAKES





Thank you



LIONHEART COURT,
WALTHAM ABBEY