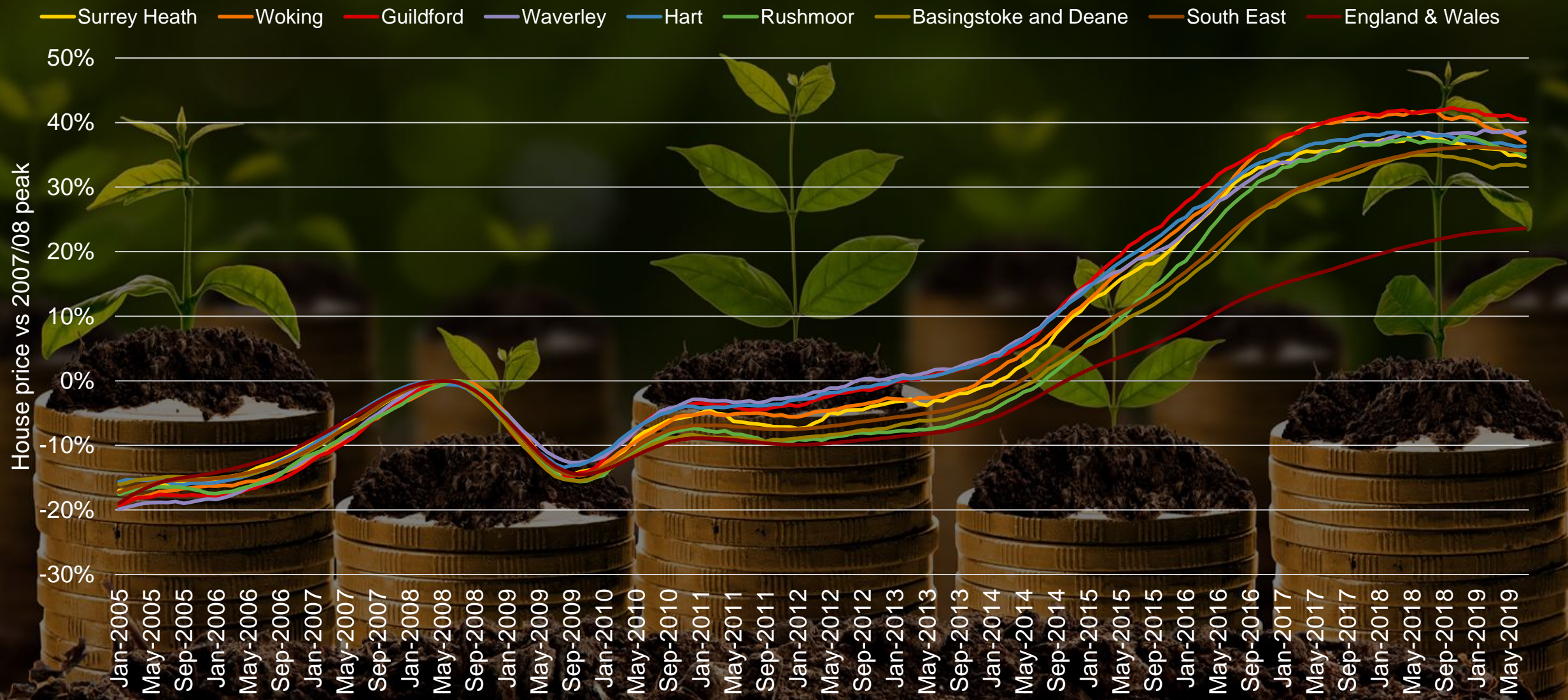


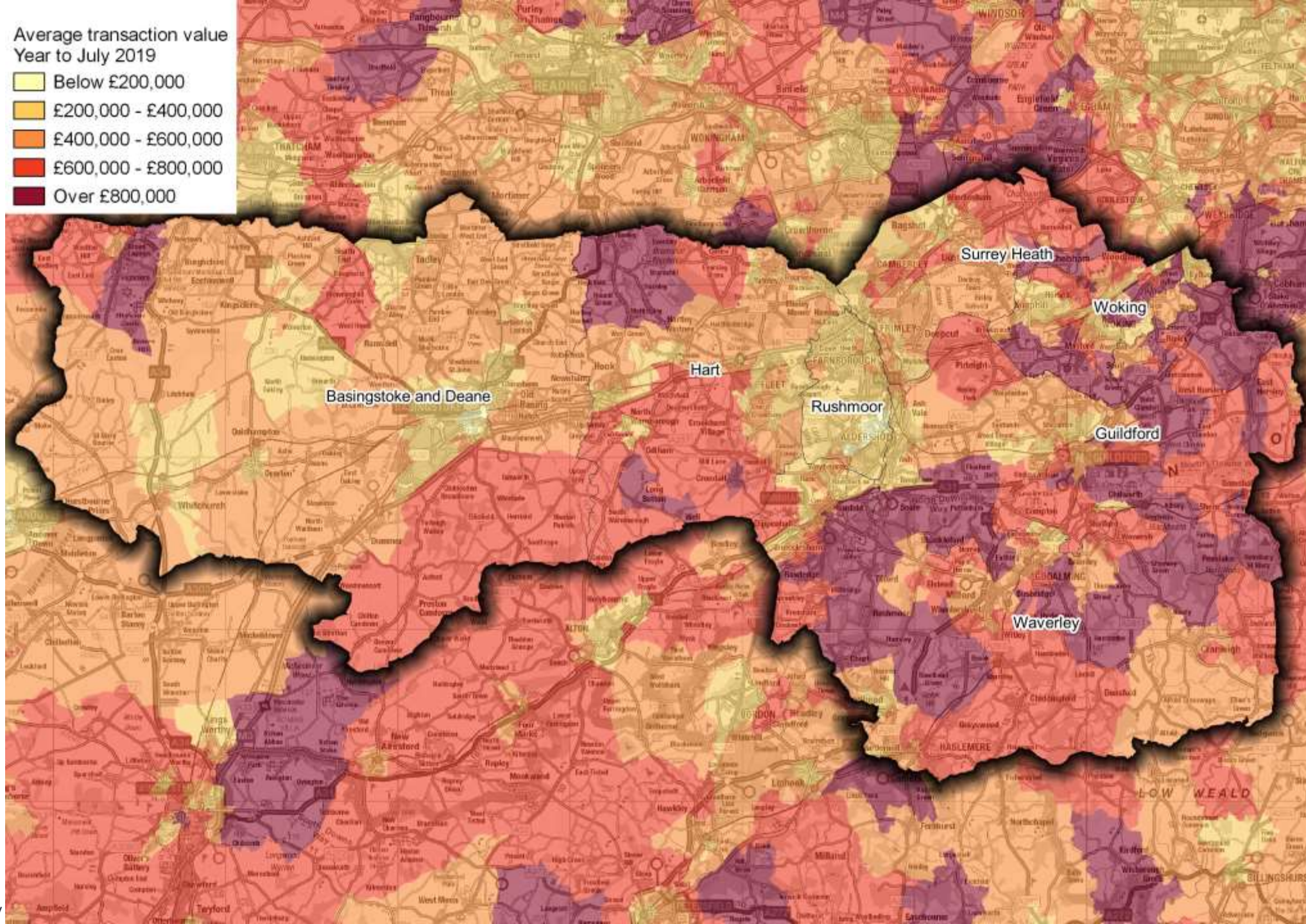
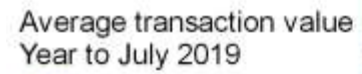
Residential and Development Land Update: North Hants and South West Surrey

6th November 2019

Richard Valentine-Selsey & Alice Sewell

House price growth is slowing, but remains well above previous peak





What is driving the residential market?

savills

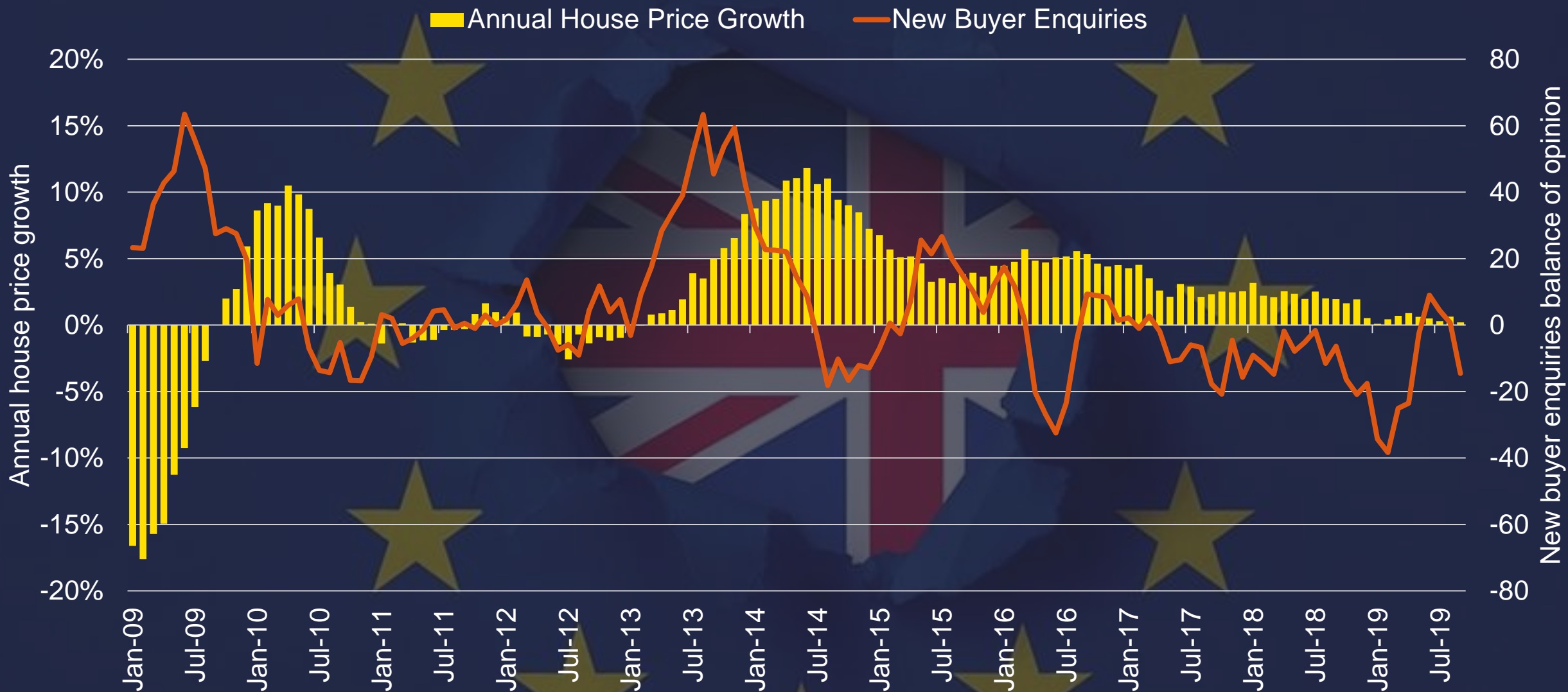
Sentiment

in the short term

In the longer term

Affordability

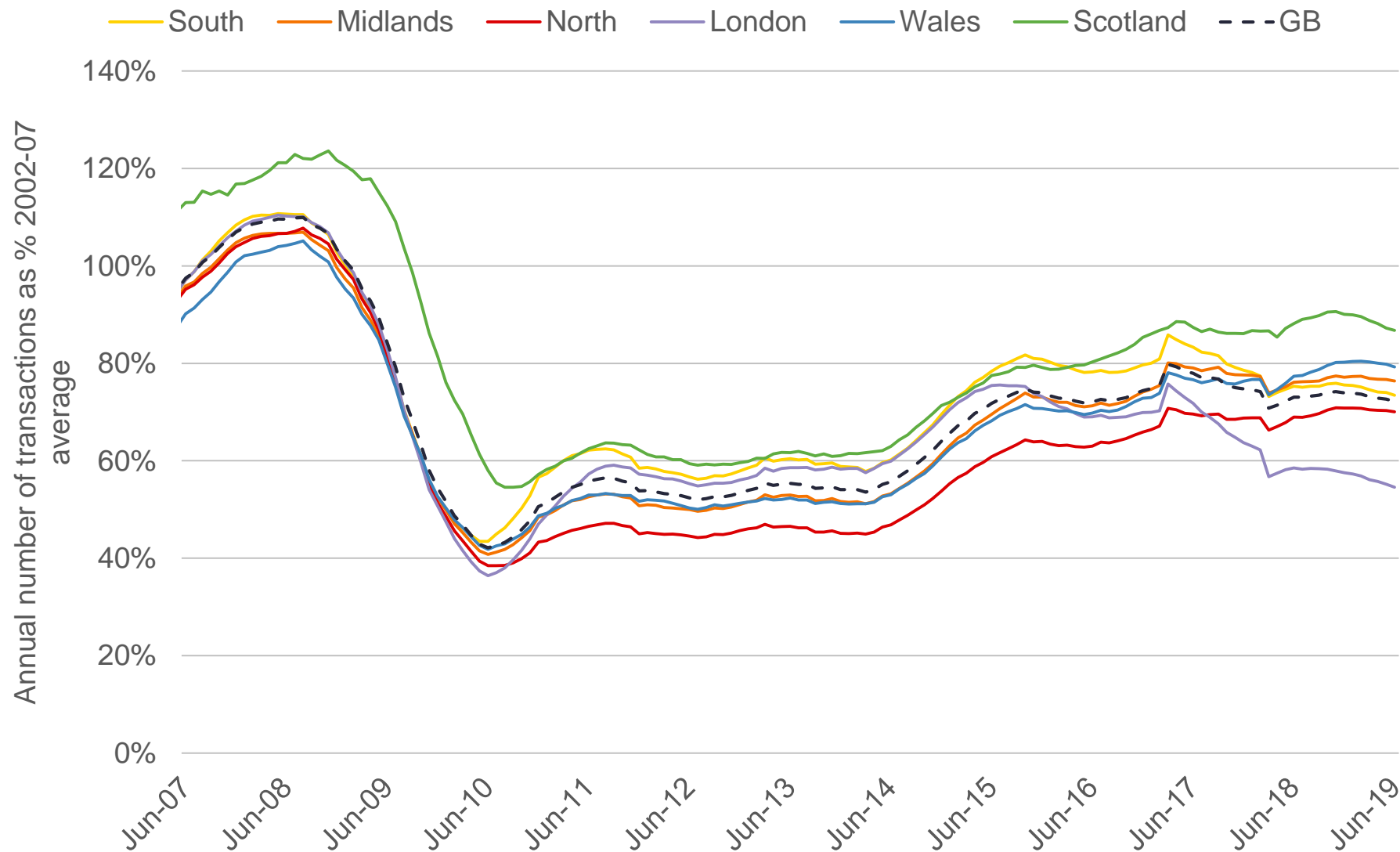
Fluctuating sentiment



Affordability is becoming a limiting factor



Transactions have softened over recent months



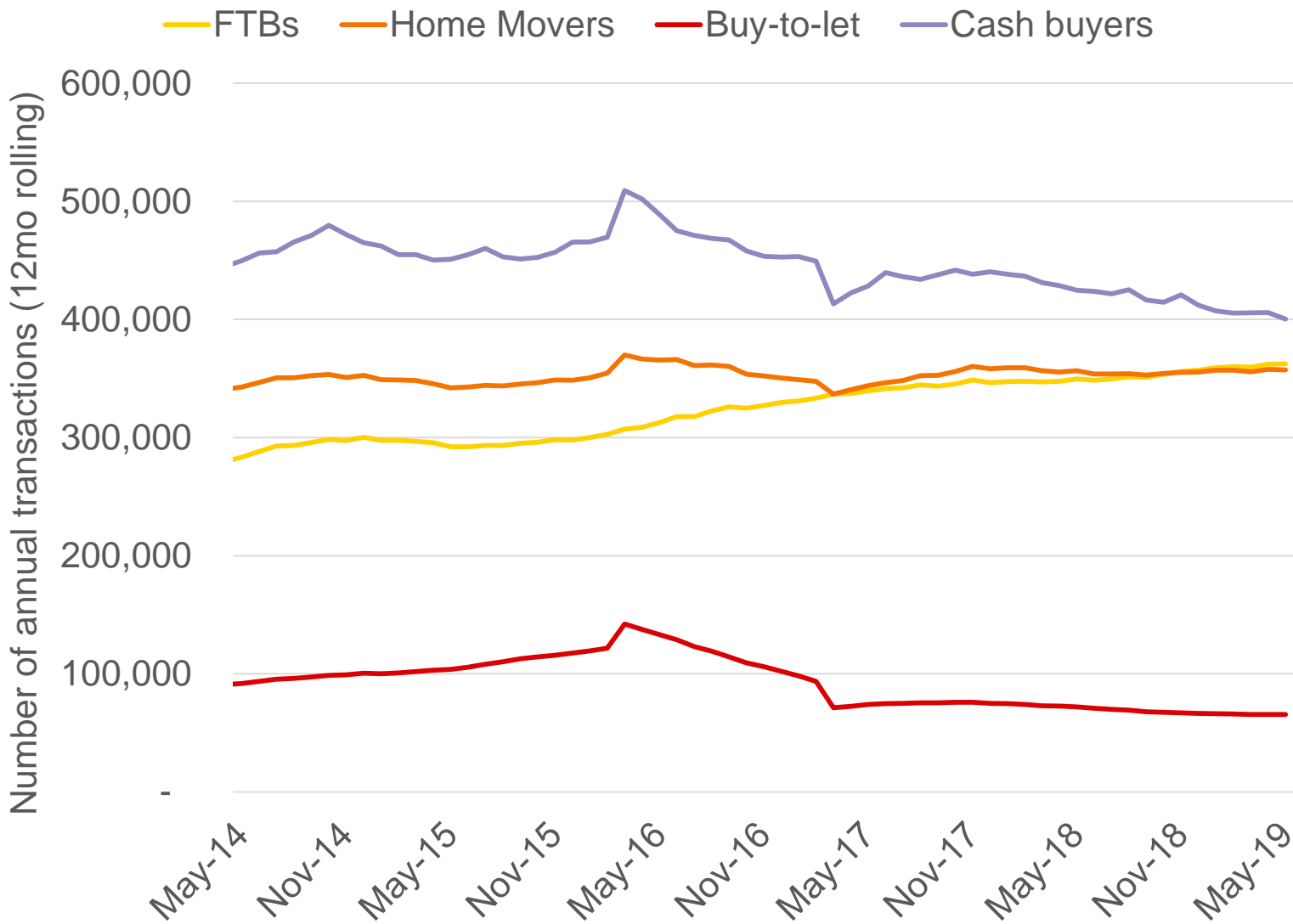
3.6%

Drop in annual
national
transactions

7.4%

Drop in annual
London
Transactions

But this hides divergence between buyer types



Support from
Help to Buy

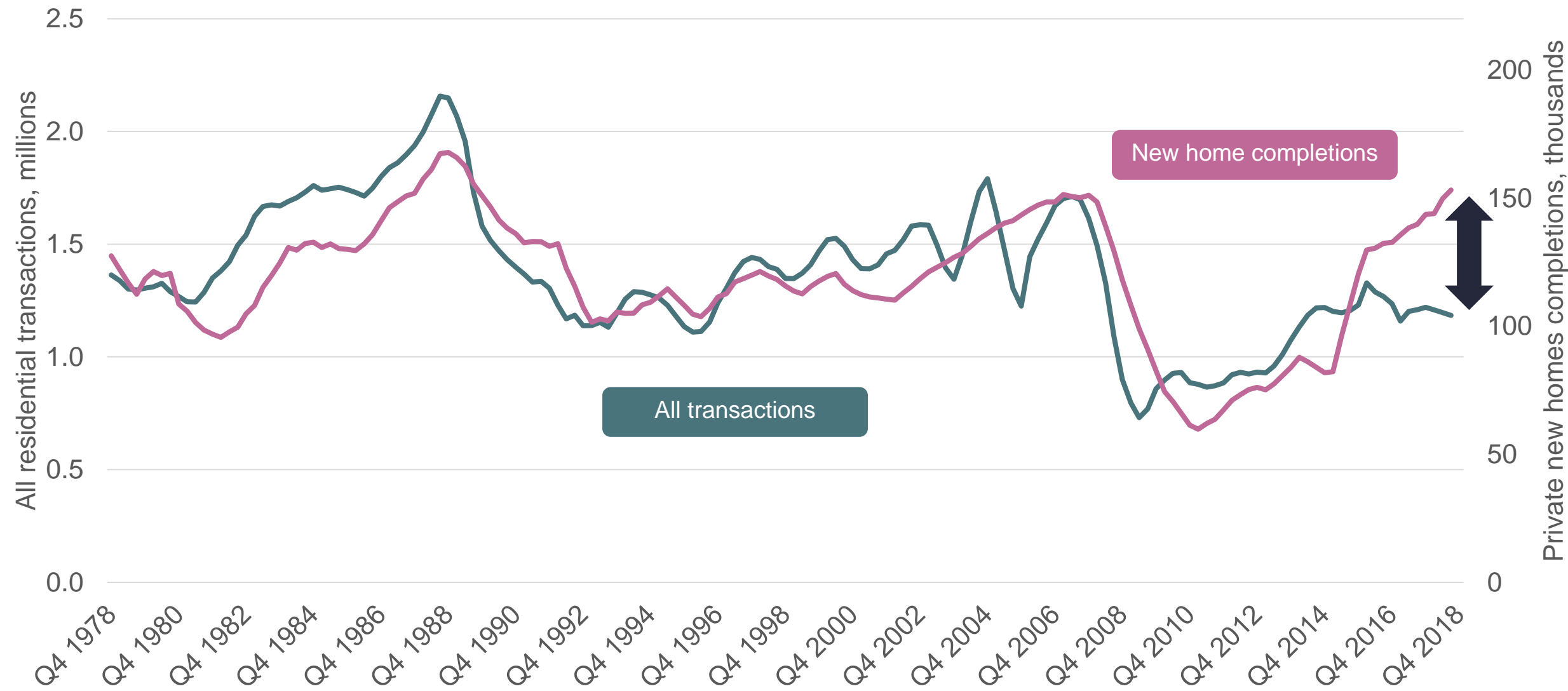
14%

FTB increase
on 3yr to Jun-19

-49%

Mortgaged BTL
on 3yr to Jun-19

New home sales are being supported by Help to Buy in England



Help to Buy

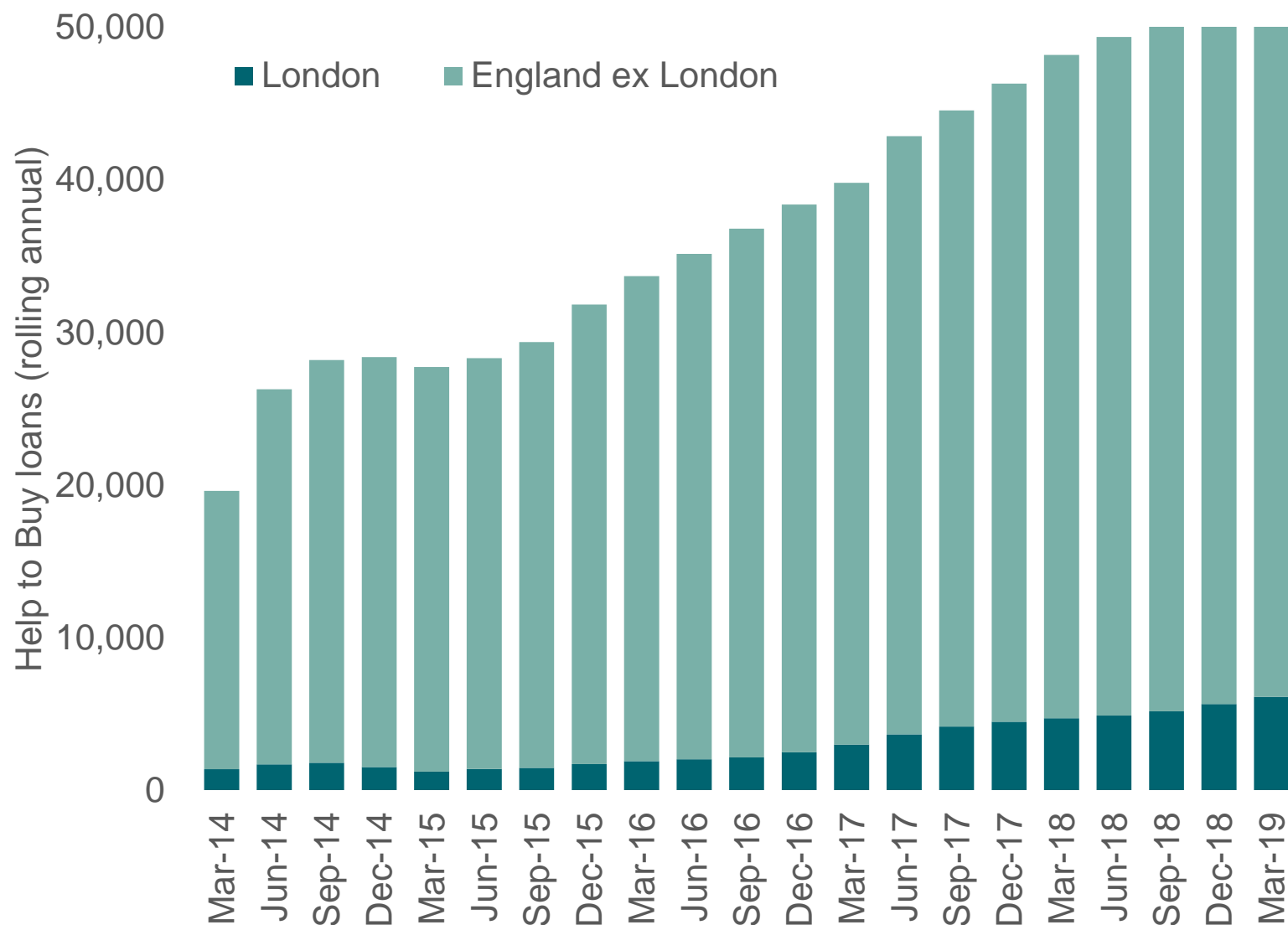
1 52,400 loans in 2018/19

2 83% to first time buyers

3 c.33% of new homes sold

4 Only FTB and new caps from 2021

5 Affecting 34% of current HTB use



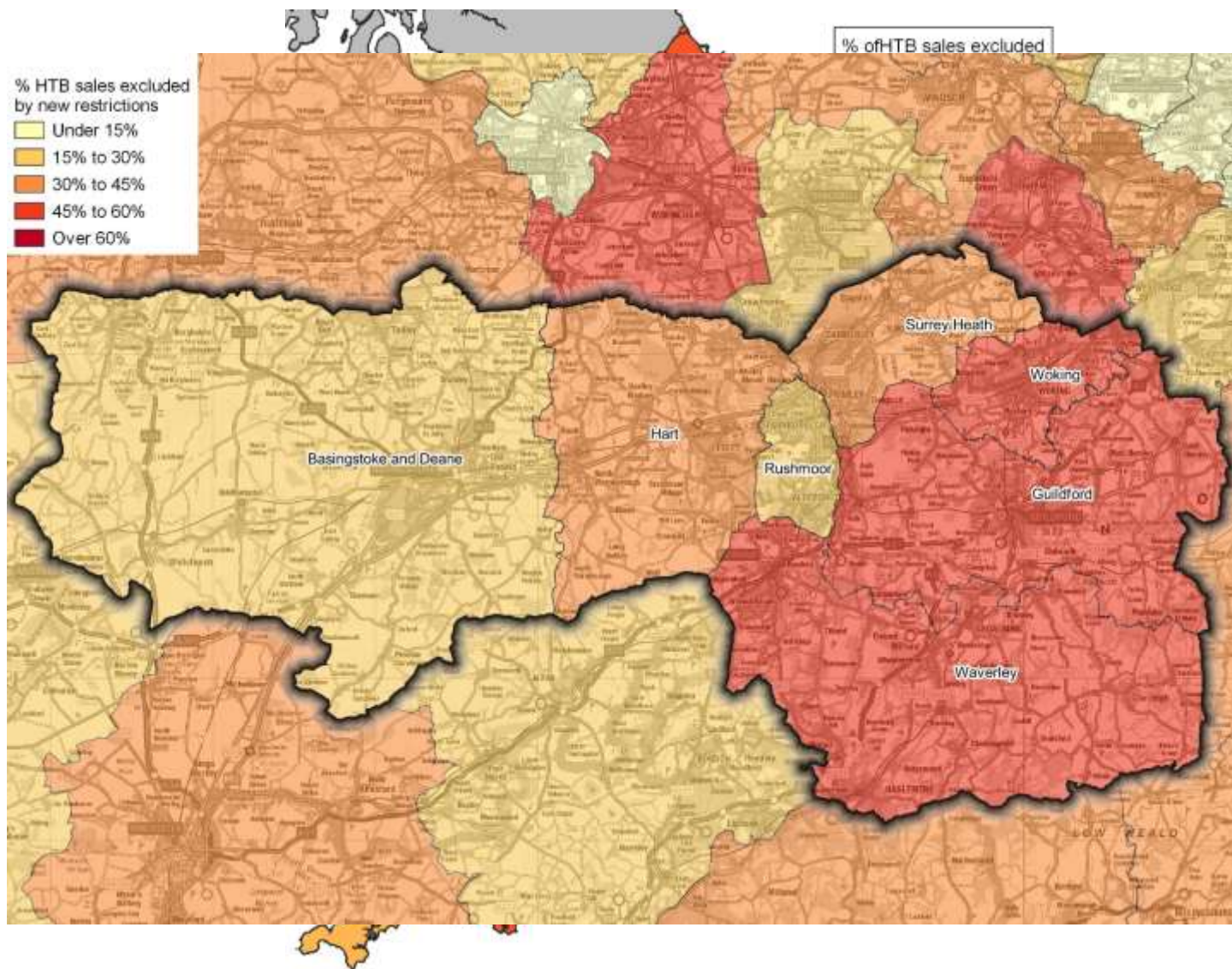
Impact of the restrictions

Potentially affecting 34%
of current Help to Buy
transactions

100% of the home movers
(18% of HTB purchasers)

22% first time buyers

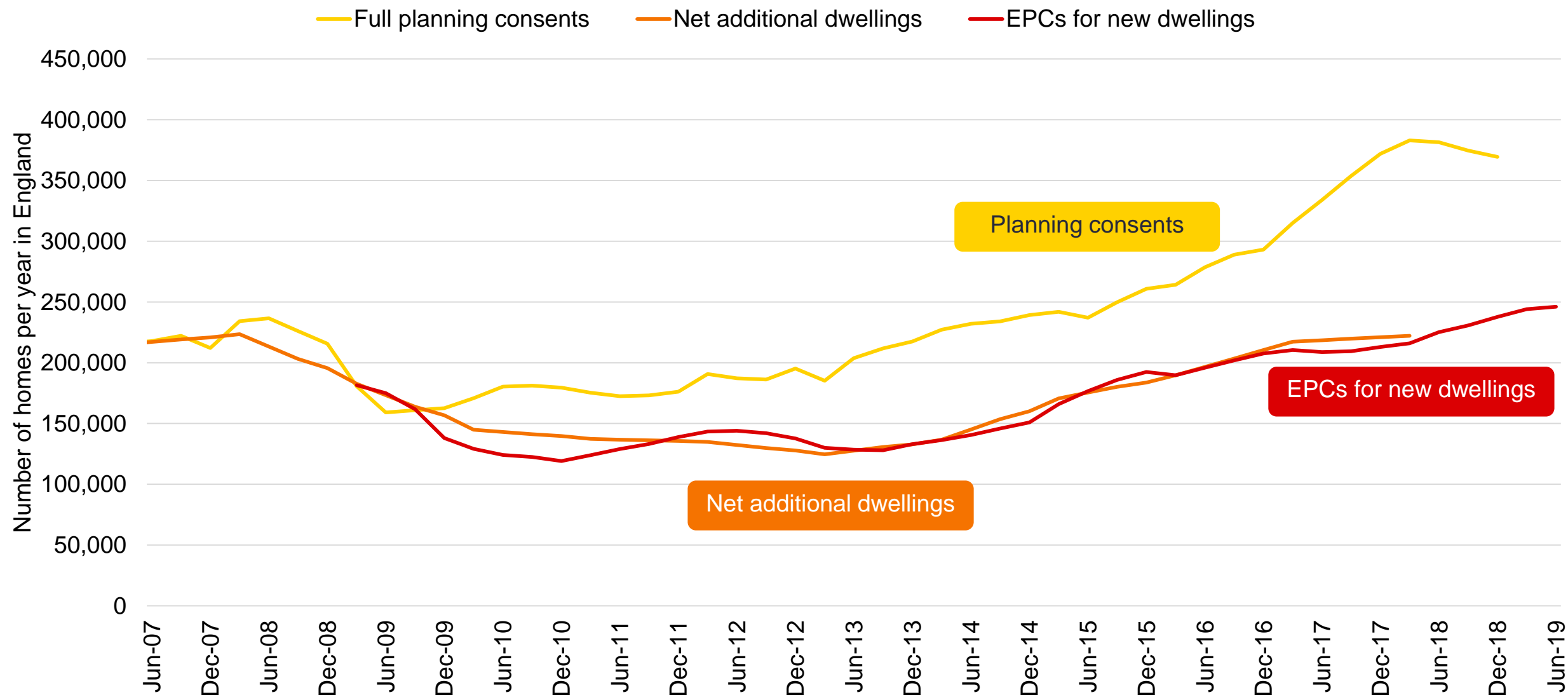
With a distinct geographical
impact



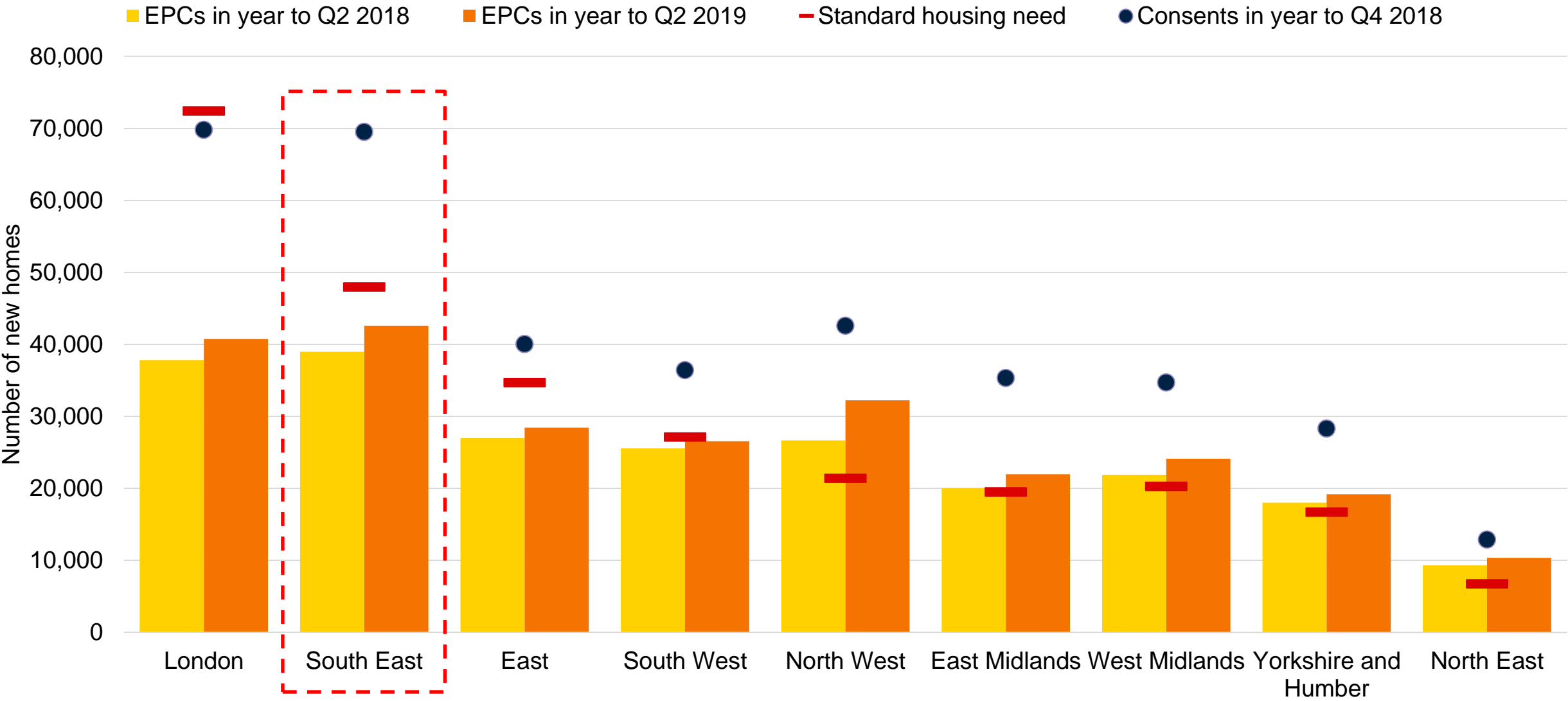
An aerial, top-down view of a construction site. The image is rendered in a monochromatic teal/blue color scheme. In the center, a white rectangular box contains the text 'Development, Housing Supply & Land' in a bold, white, sans-serif font. The background shows various construction elements: a large building under construction with a grid of columns, several cranes, roads, parking areas with cars, and landscaped areas with trees and circular paths. The overall scene depicts an active urban development project.

Development, Housing Supply & Land

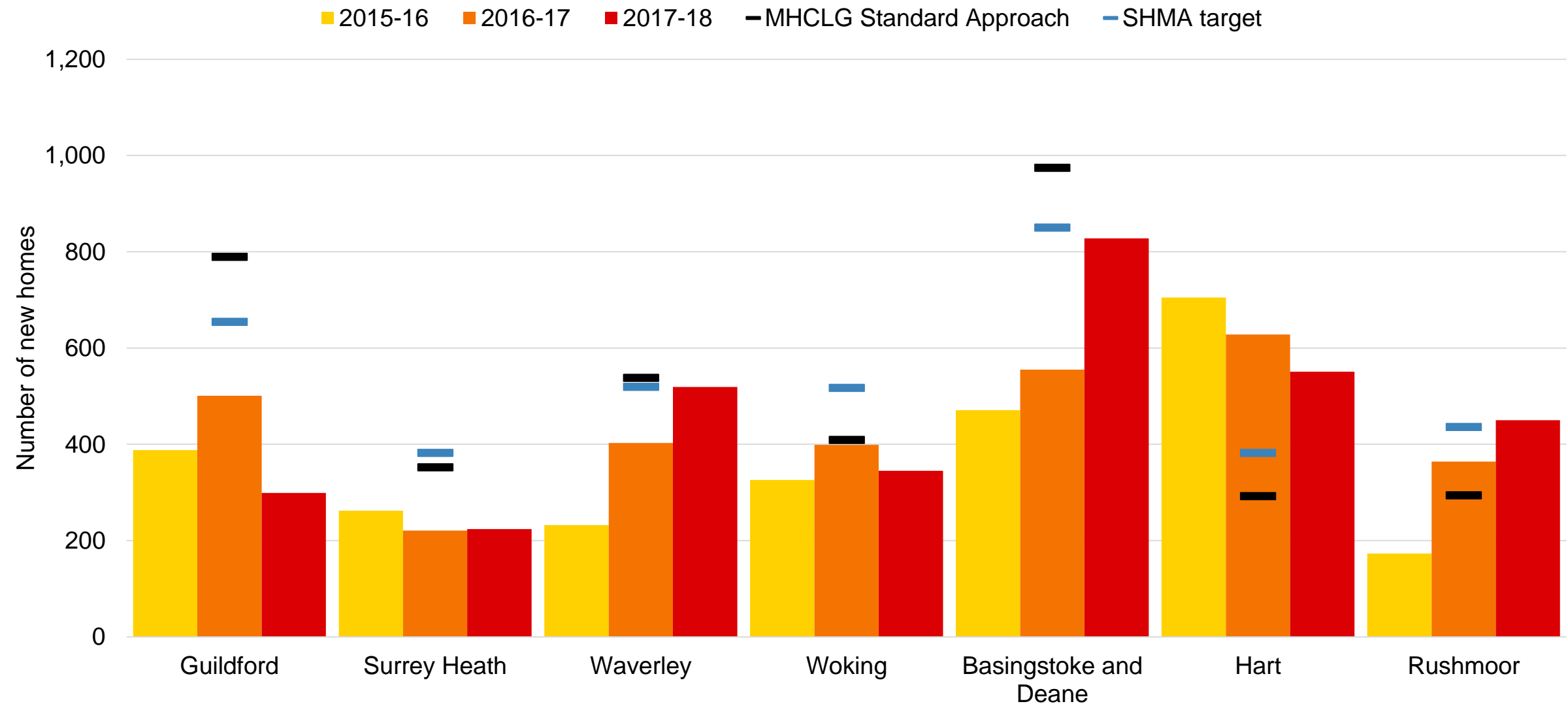
Supply is up to 246,159 homes per year in England



Housing delivery is rising and meeting need outside the South



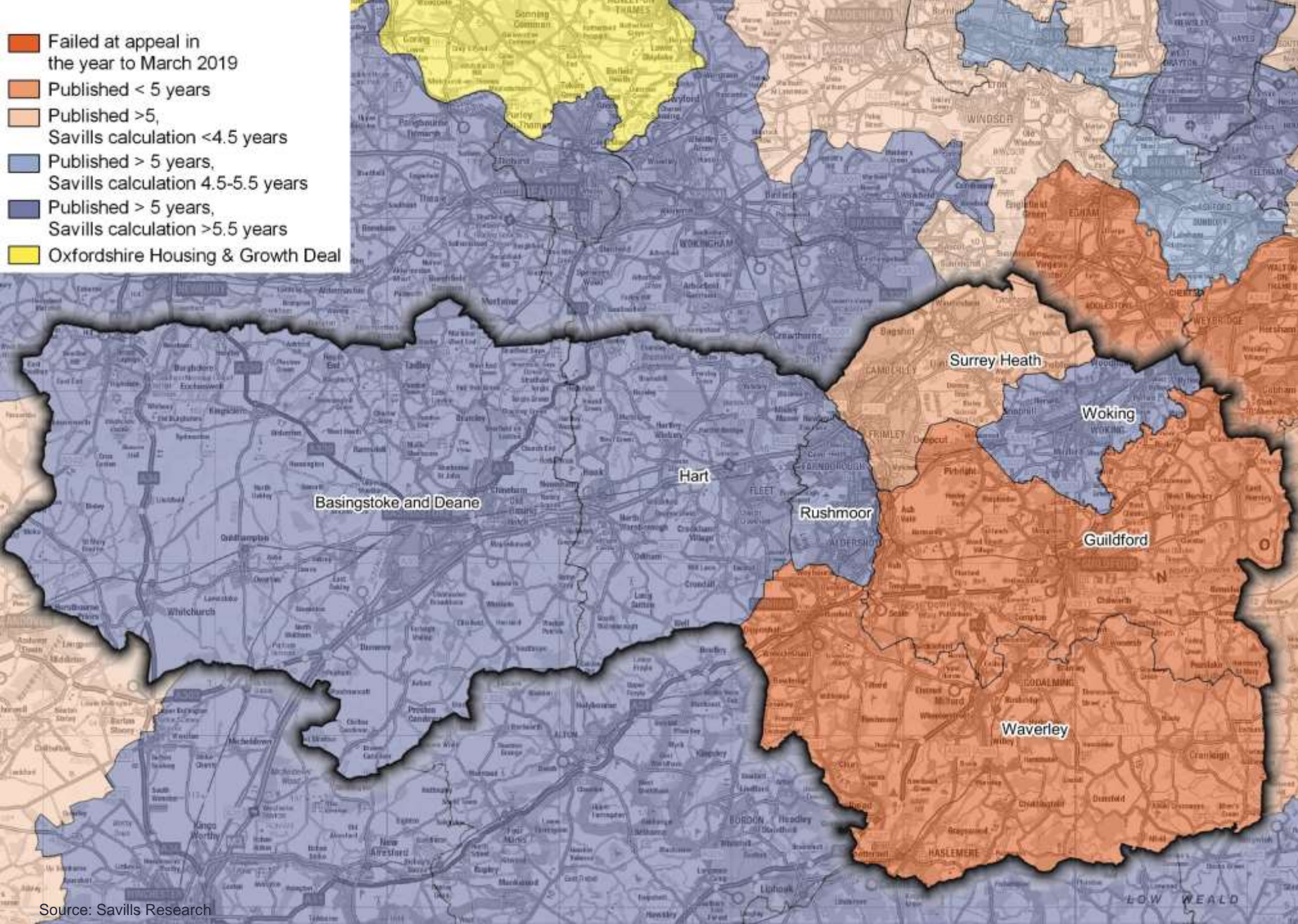
Housing delivery is increasing across the area, but lags behind need in most authorities



Guildford:
Local Plan
adopted, high
court challenge
pending

Waverley:
Local Plan Part
1 adopted and
defended

Surrey Heath:
Emerging Plan
consultation
delayed

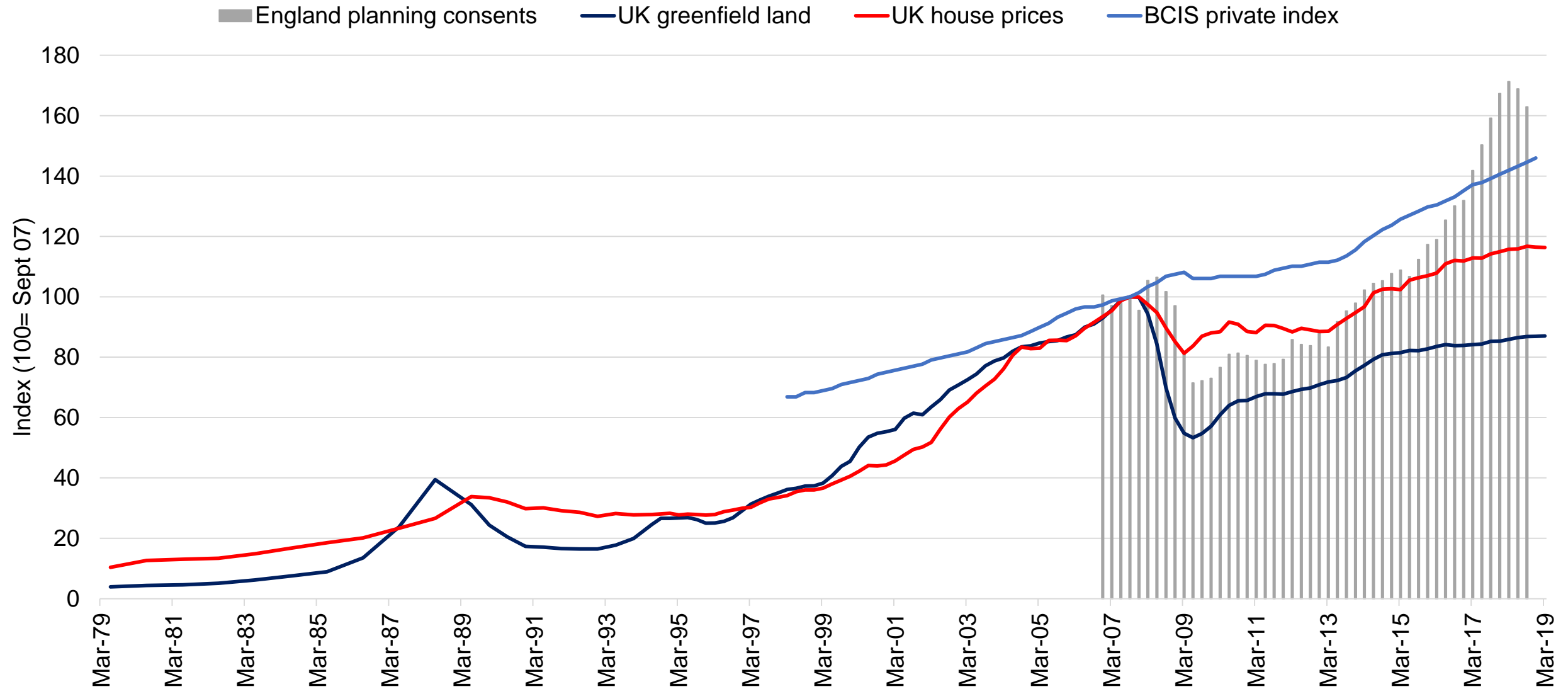


Guildford:
Published 5.93 years, but failed at appeal within the last year

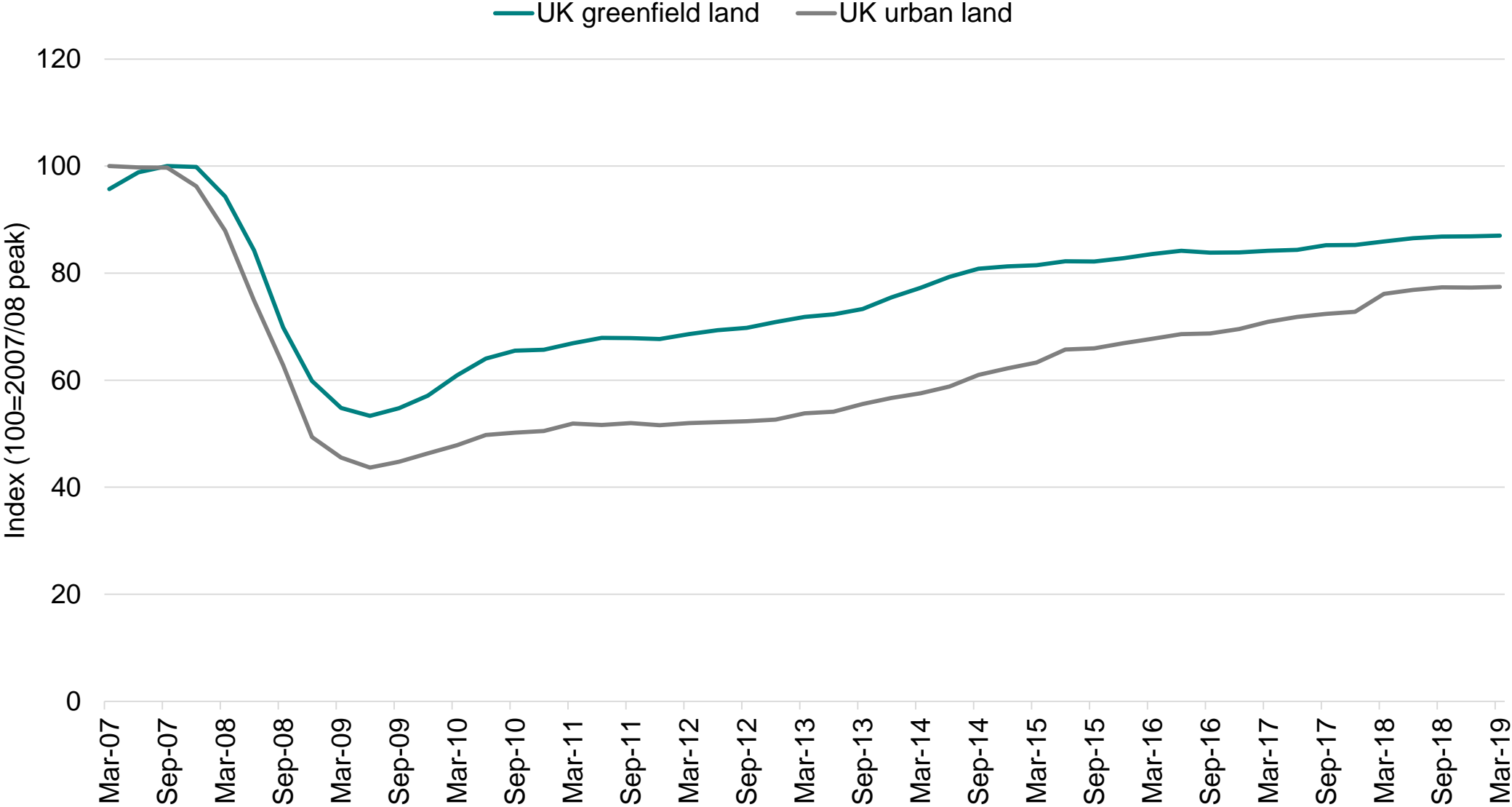
Waverley:
Published 5.2 years, but failed within the last year

Woking:
Published 7.7 years of supply

Rising build costs and availability of consented land are limiting land value growth in the UK



Although growth remains positive

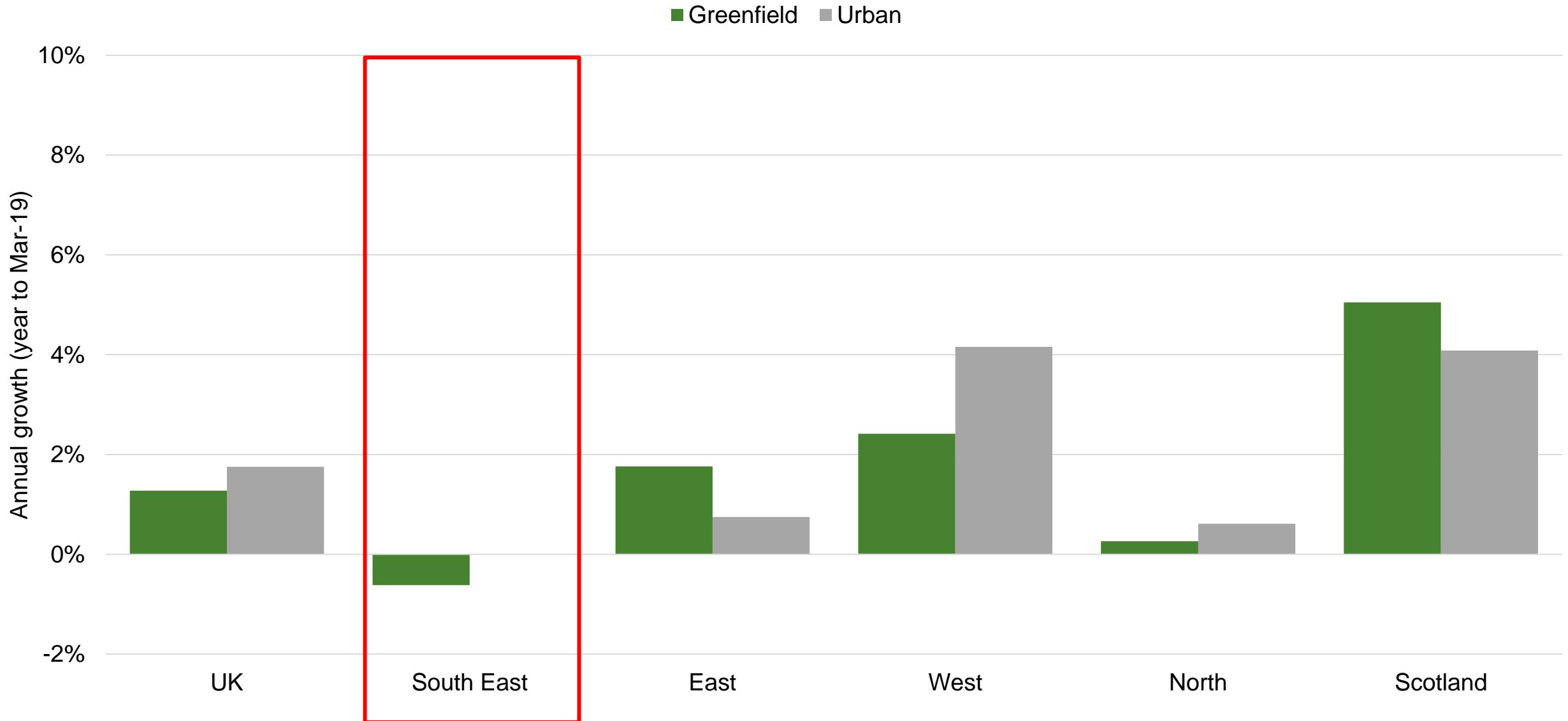


Annual change

1.3%

1.8%

But the national level hides significant regional variation



There are new entrants in the development UK land market

70%



Local Authorities plan to increase their delivery of new homes

11%



Planned increase of **Housing Association** delivery in 2019-20

34,840



completed **Build to Rent** units as of Q3 2019

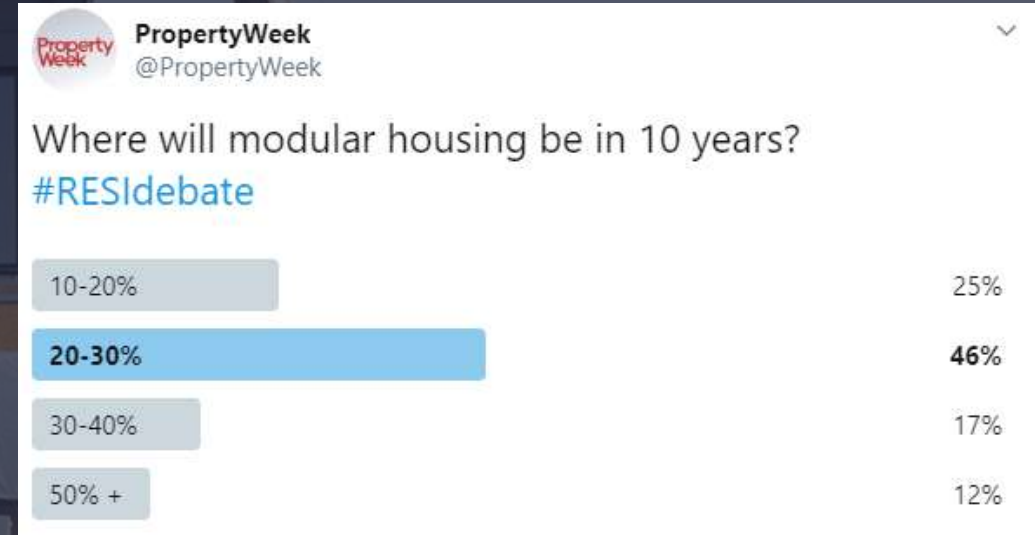
And new entrants in housing delivery

15-20%
homes built
using MMC...

Annual
capacity today
is 11,000...

...but only 5%
using modular

...but with
ambitions to
grow to 28,000





Plans now in place



Strong markets remain



Section 106 / CIL &
Viability



Cross subsidy and
diversity of product
required



Mixed Use:
Live Work Play

A stylized, colorful illustration of a cityscape. It features various buildings, including houses, skyscrapers, and industrial structures. A river or canal flows through the center, with a bridge crossing it. A construction crane is visible on the right. The background is a mix of dark blues, greens, and browns, with white dashed lines suggesting roads or paths. The overall style is modern and graphic.

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Thank you

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