



Homes 2017

Accelerating build out rates on approved sites

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Structure

- **Barratt in 2017**
- **Current timescales**
- **Accelerating delivery : the numbers**
- **What is Barratt doing?**
- **Barriers**
- **Solutions and case studies**

Barratt in 2017



- UK's largest housebuilder, 17,395 homes, 27 Divisions, 5,300 employees



- 5 star builder for 9 years despite 55% growth



- Sunday Times and Housebuilder Magazine, Homebuilder of the Year



- £652m in tax and £558m in S106



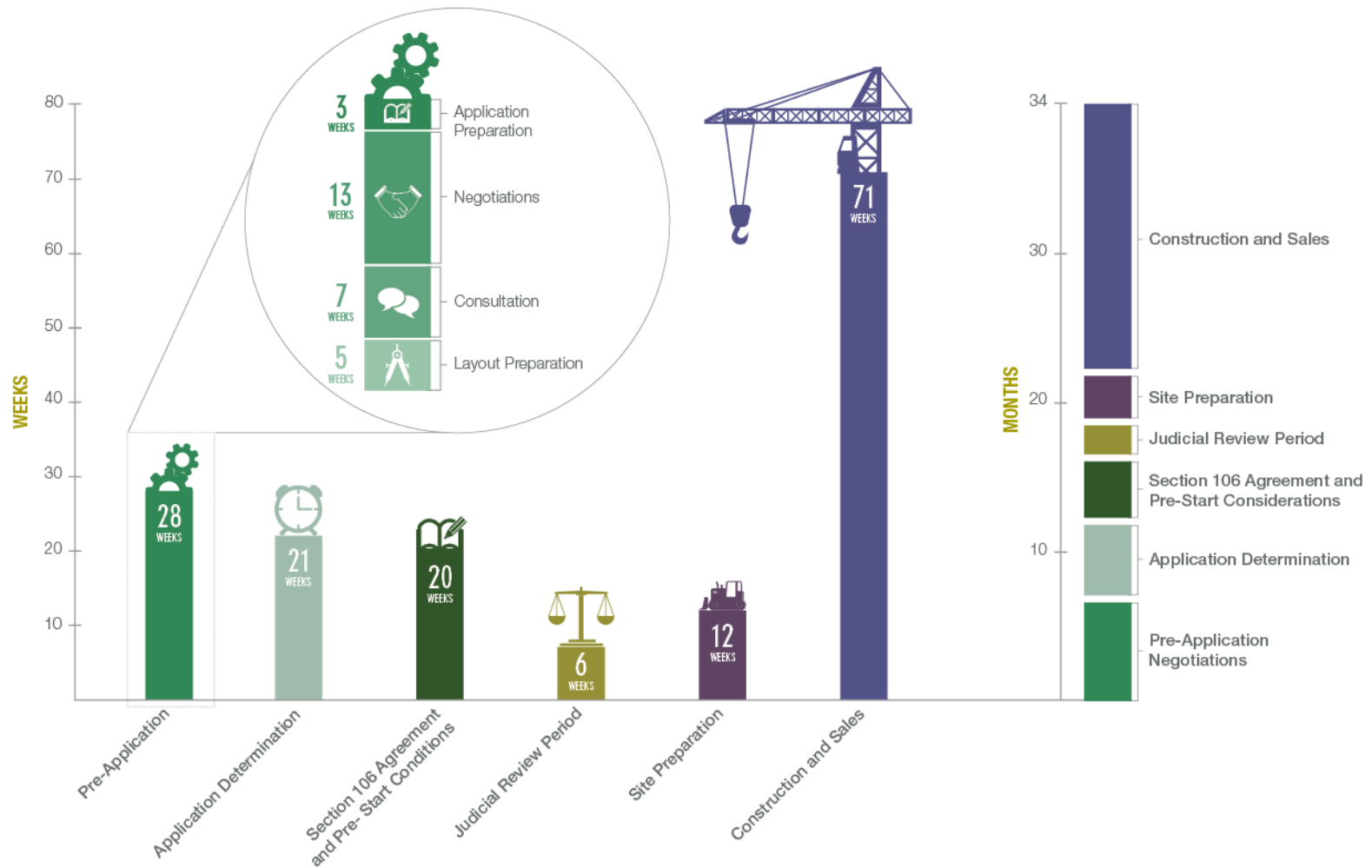
- 53,000 jobs, and 12,000 businesses supported



- 617,000 trees and shrubs planted



Current timescales : 50 unit site



Accelerating delivery : what are the numbers?

Pre start

- 321,000 planning permissions p.a. and stock of 800,000
- 86% of outline consents held by non-builders
- Transfer to housebuilder = delays
 - Marketing
 - Due diligence and purchase
- Detailed consent to site start = 21 months
 - Pre-commencement conditions
 - Section 106 Agreement

On-site

- 2013 LGA study:
 - 27 months for +250 units
- Lichfields, 2016:
 - 500-999 units = 100 homes/year
- Savills for Barratt, 2015
 - Rates above 120 homes/year since 2010
 - Urban extensions above 500 units

- Need 250k consents/year for zero growth
- Housebuilder needs land pipeline of 6 years worth of output, to increase volume by 5%



Accelerating delivery : what are we doing?



Department for
Communities and
Local Government

- Signed the HBF/DCLG Statement of Intent
- Agreed measures to speed up delivery



- We have 2 brands = 2 sales outlets on larger sites



- Reviewed all our +350 unit sites
- Identified potential 11% annual output increase



- Building faster via new methods
- Timber frame, steel frame, large block panels

- Securing land is highly competitive, via RLV model (sales values)
- Cannot build faster than market unless land price reflection



Accelerating delivery : what are the barriers?

Landowners

- $RLV = \text{sales rates/prices} - \text{costs} = \text{land value}$
- Landowners can specify faster rates (and lower land value)
- They don't!!

House prices

- We are price takers, not setters
- 10% doesn't push down (or up) the 90%
- We need to hit appraisal prices to avoid losses

Policy

- Can enforce faster rates – with transition period
- Fewer landowners will sell
- Fewer homes built!!

Build capacity

- Lack of skills in key areas
- MMC will help (supply chain)
- Be careful what you wish for



Accelerating delivery : solutions and case studies

BROOKLANDS, MILTON KEYNES



- 2,000 homes via joint venture
- BDW – prescribed build and sales rate
- Places for People – land and community facilities

STOBHILL, MORPETH



- Investments in extra build and sales resource
- Introduced extra brand (David Wilson)
- Later phase brought forward
- Forecast sales up by 72% year on year

FAIRFIELD, MILTON KEYNES



- Investment in extra build and sales resource
- Doubled sales outlets (now 4) with 2 brands and 3 divisions
- Later phases brought forward - sales forecasts up by 67% year on year

THE WICKETS, BOTTESFORD



- Strong local demand
- Pioneered use of large format brickwork
- Final 32 units delivered 12 weeks quicker than traditional build