

Barratt London



19 May 2011

Mark Clare
Group Chief Executive



Dalston Square, Dalston
Units: 553
GDV: £171m

Clive Fenton
Executive Director, South



St Andrews, Bromley by Bow
Units: 964
GDV: 221m

Leading expertise in London

- Over 30 years experience in the capital
- Wealth of knowledge within the London team
- Created more than 25,000 new homes
- Broad product range from large urban regenerations to niche boutique residences
- Long standing relationships with all key London stakeholders
- Investing in attractive new land opportunities

Optimistic about growth prospects for London business

Barratt London key statistics

Financial year ended 30 June 2010

Total completions ⁽¹⁾	1,011
- Private	55%
- Social	45%
Total ASP	£249.5k
- Private ASP	£322.4k
- Social ASP	£161.4k
Revenue	£261.4m
 Average net private reservations per site per week	 1.38
 Total employees	 300

London requires a unique skill set

- **Customer**

- Higher income
- Investors – UK & overseas
- Typically higher % social

- **Product**

- Bespoke
- Technically complex
- High rise
- High % regeneration
- Community uses
- Commercial

- **Capability**

- Planning
 - Health & Safety
 - Building standards
 - Stakeholders
 - Sales & marketing
 - PR
-

The London team



The London team presenting



Alastair Baird
Regional Managing Director

- Joined Barratt in 1987 as an engineer



Greg Tillotson
Regional Development Director

- Joined Barratt in 1997 as a Senior Planner



Gary Patrick
Regional Sales Director

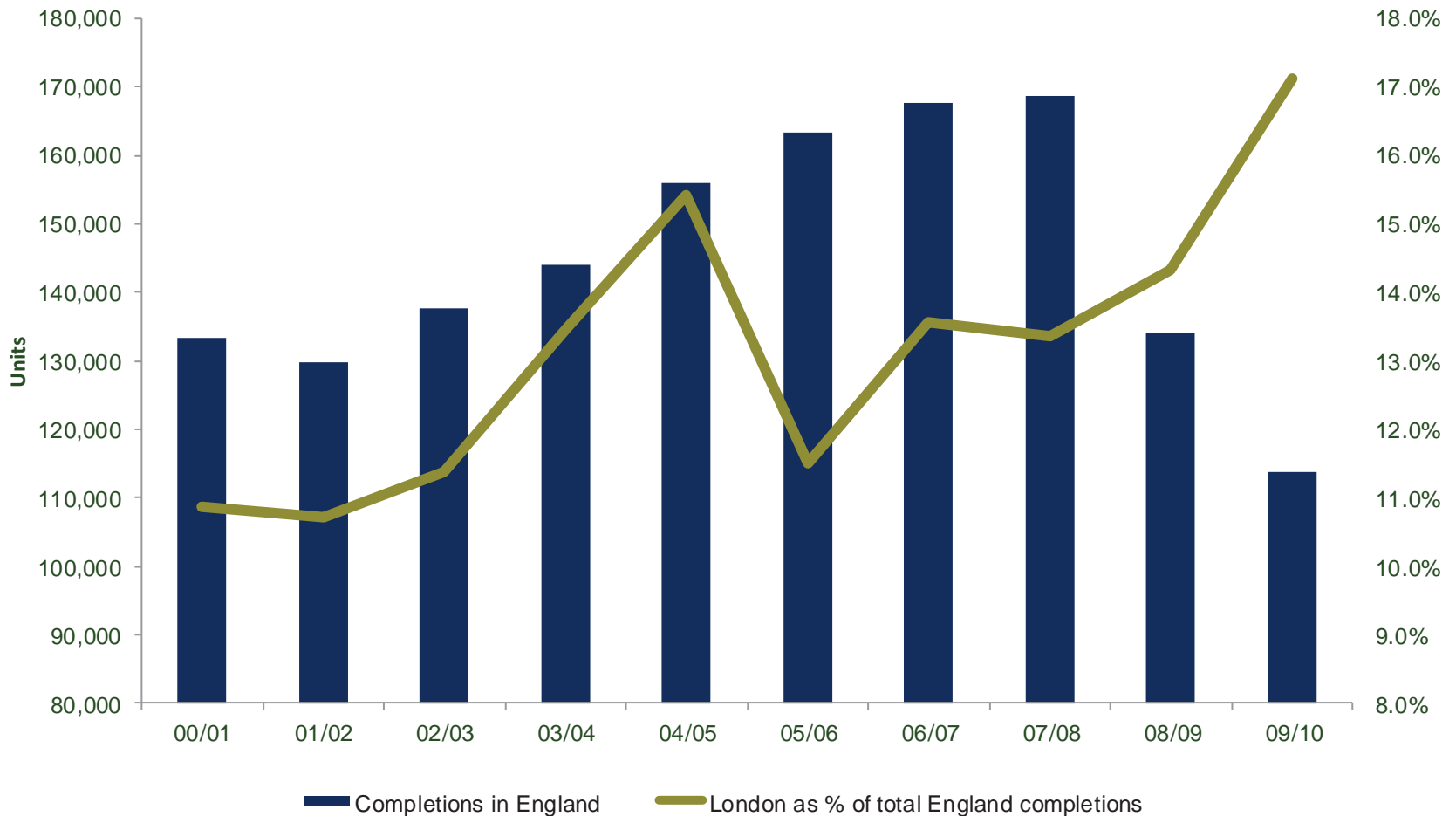
- Joined Barratt in 1998 as part exchange manager

Over 60 years experience in the London residential market



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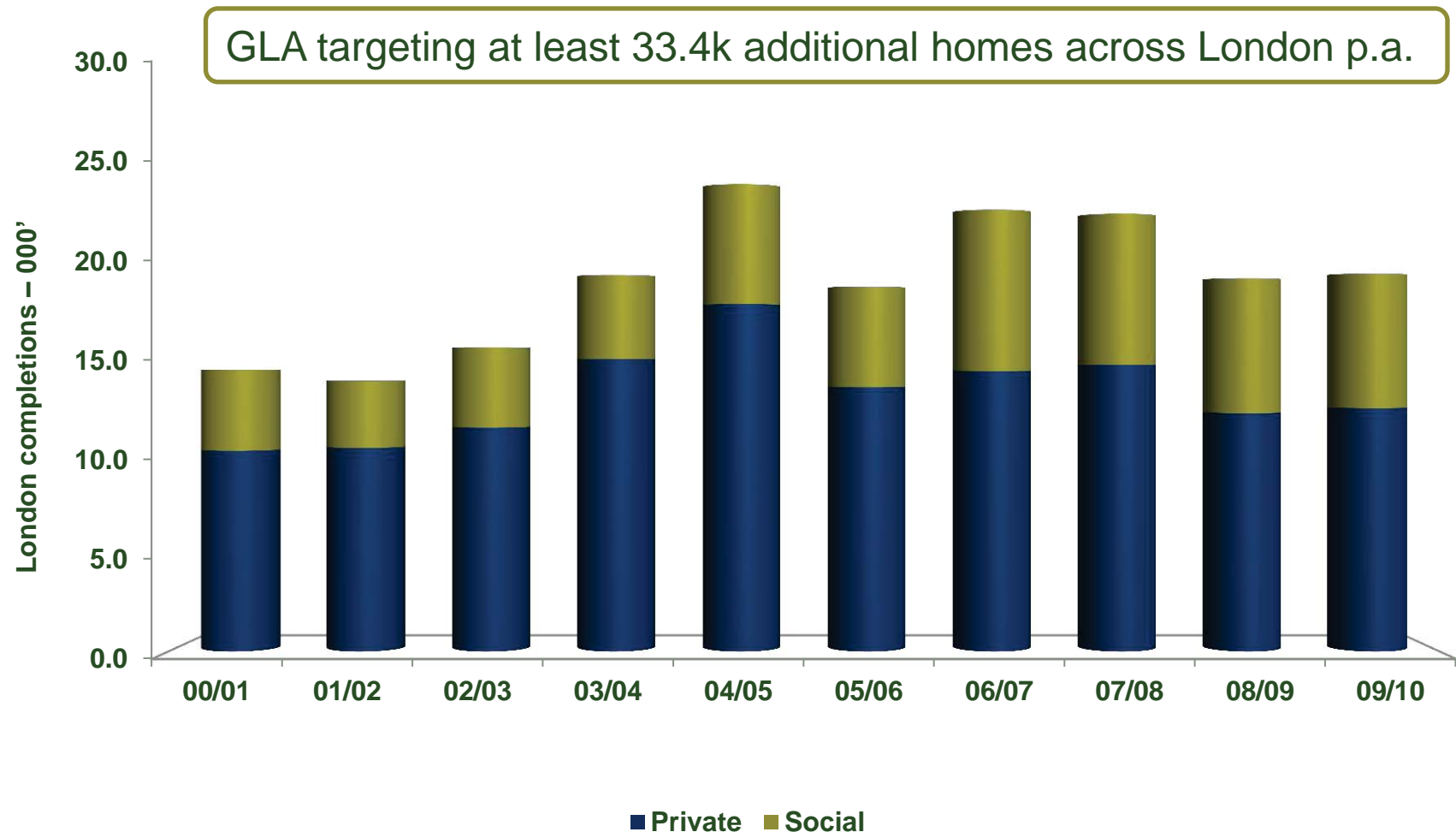
London housing market - historic supply





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London housing market - historic supply



Staying close to the London plan.....



London housing market – demand

Key growth drivers

- Latent demand from historic under-supply
- Projected growth in households
 - Additional 500k households forecast by 2026 (+15%)
- Forecast employment growth
- Significant investment in infrastructure
 - Transport – Cross Rail, Underground, Cycle network
 - Olympics, Thames Gateway Development

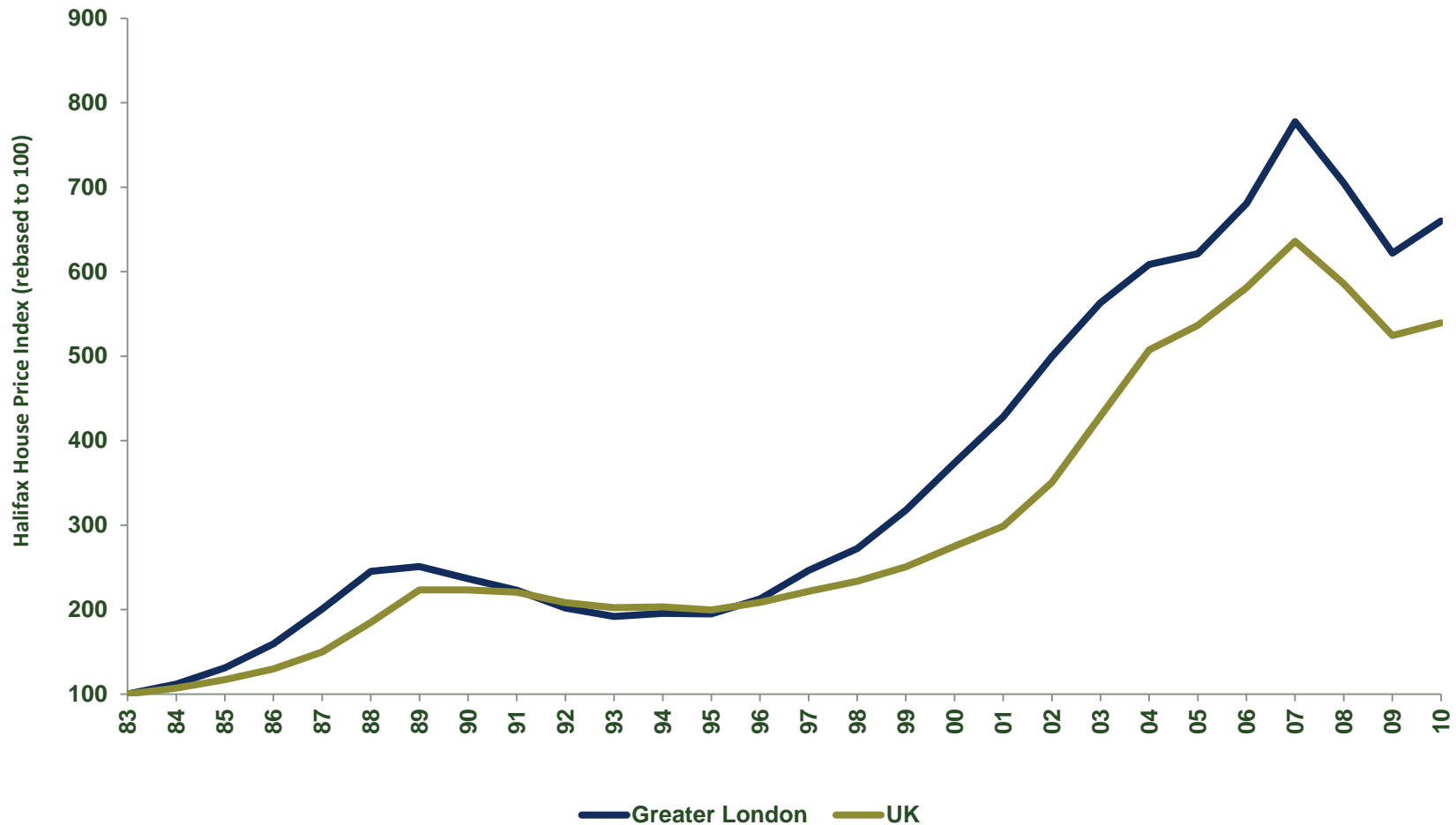
	2011E	2026E	% change
Population ⁽¹⁾	7.8m	8.6m	+10%
Households ⁽¹⁾	3.3m	3.8m	+15%
Employment ⁽²⁾	4.8m	5.3m	+10%

Source: (1) GLA Intelligence Update, August 2010
 (2) GLA Employment Projections, November 2009

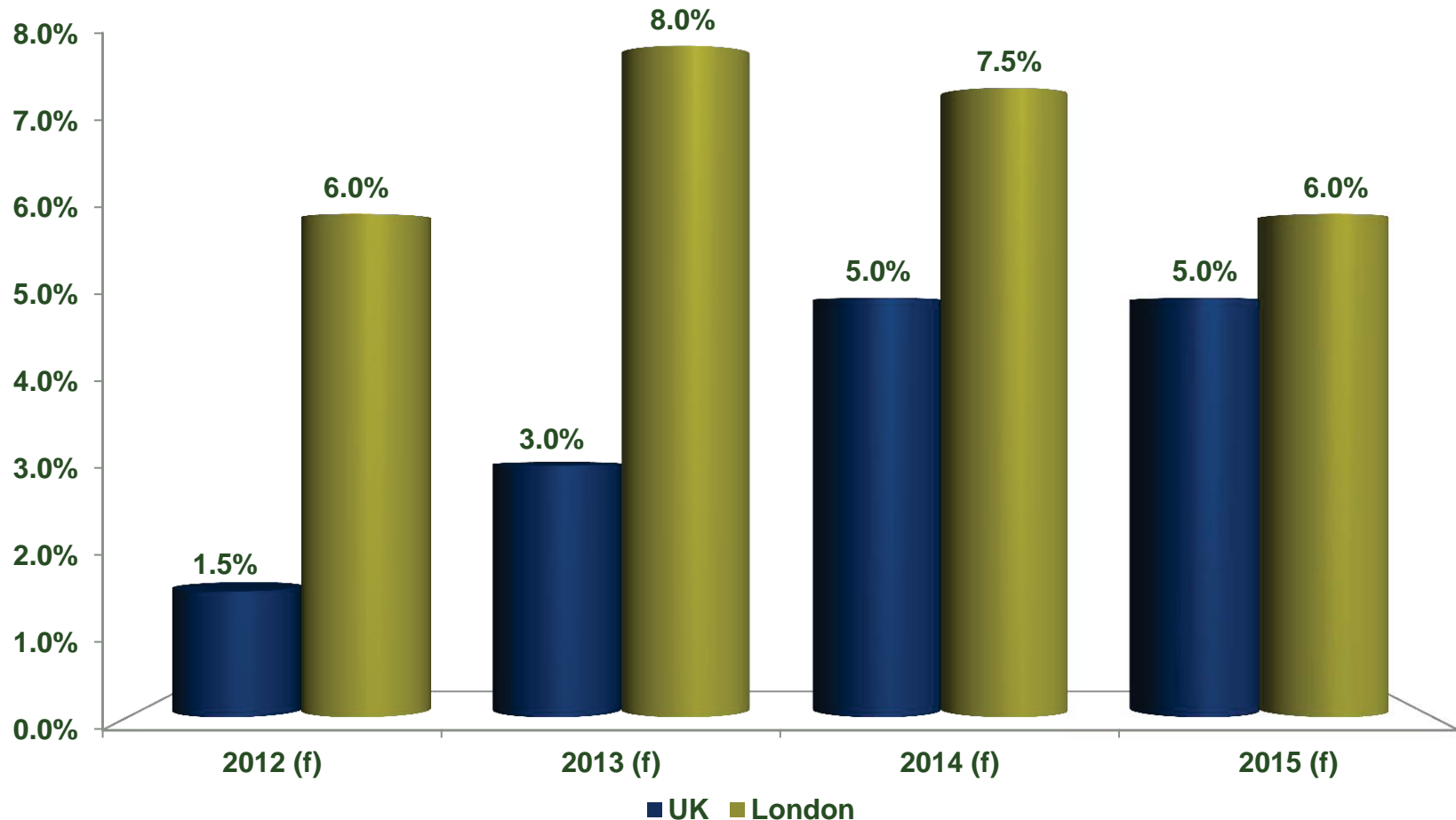


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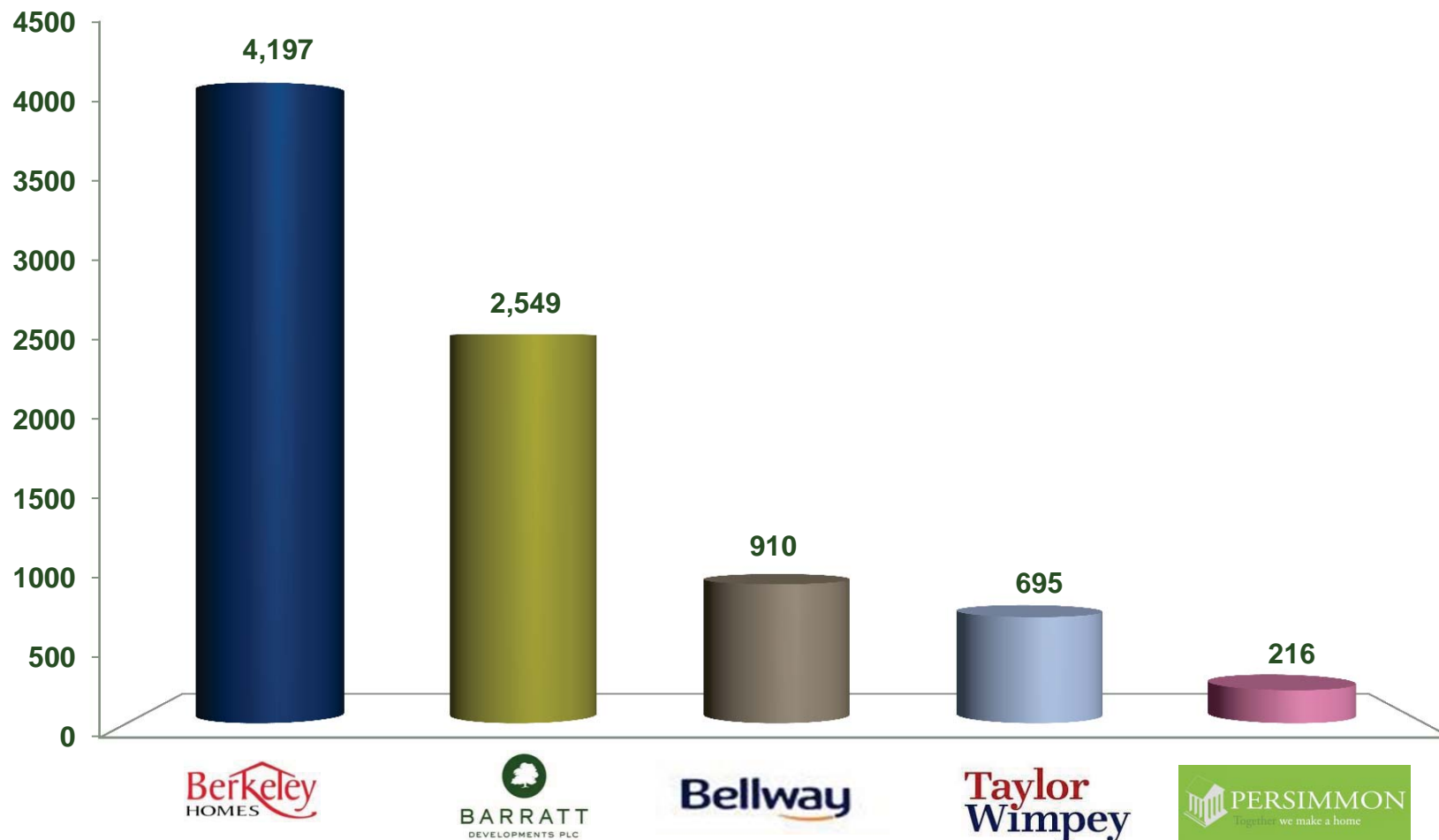
Historic pricing trends in London & the UK



Forecast pricing trends in London



Relative scale



Note: Estimated units under construction within greater London for period March – September 2010

Source: Drivers Jonas Deloitte Crane Survey, Winter 2010

Strategy for growth

- Focused on value
- Capability / capacity to deliver 2,000 homes p.a.
- Working in partnership with selective blue chip organisations

Exploiting strong track record / partnership credentials to access first class development opportunities and minimise cash lock-up



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Altitude – Alie Street



Alie Street, Aldgate
Units: 235
GDV: £105m

Alastair Baird
Regional Managing Director
London



The Lockhouse, Camden
Units: 171
GDV: £67m

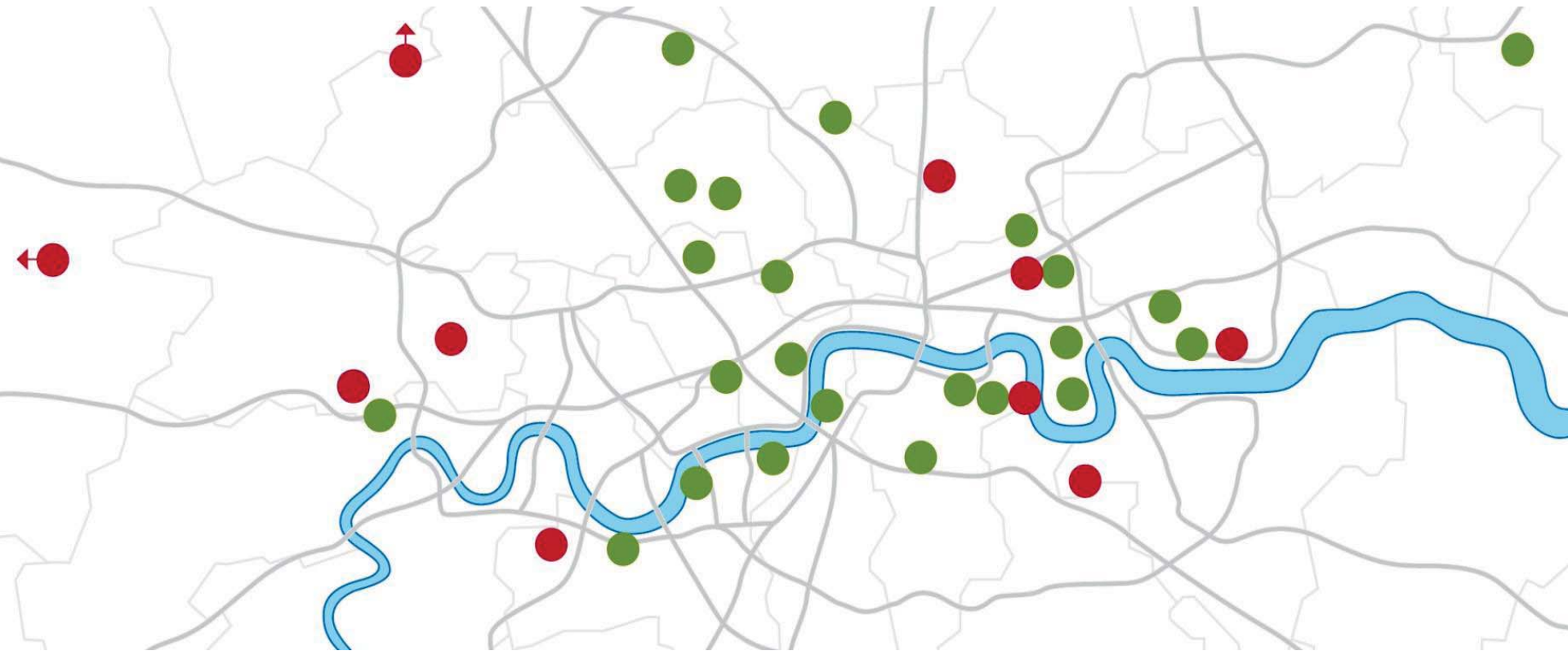
The London portfolio

COMPLETED DEVELOPMENTS



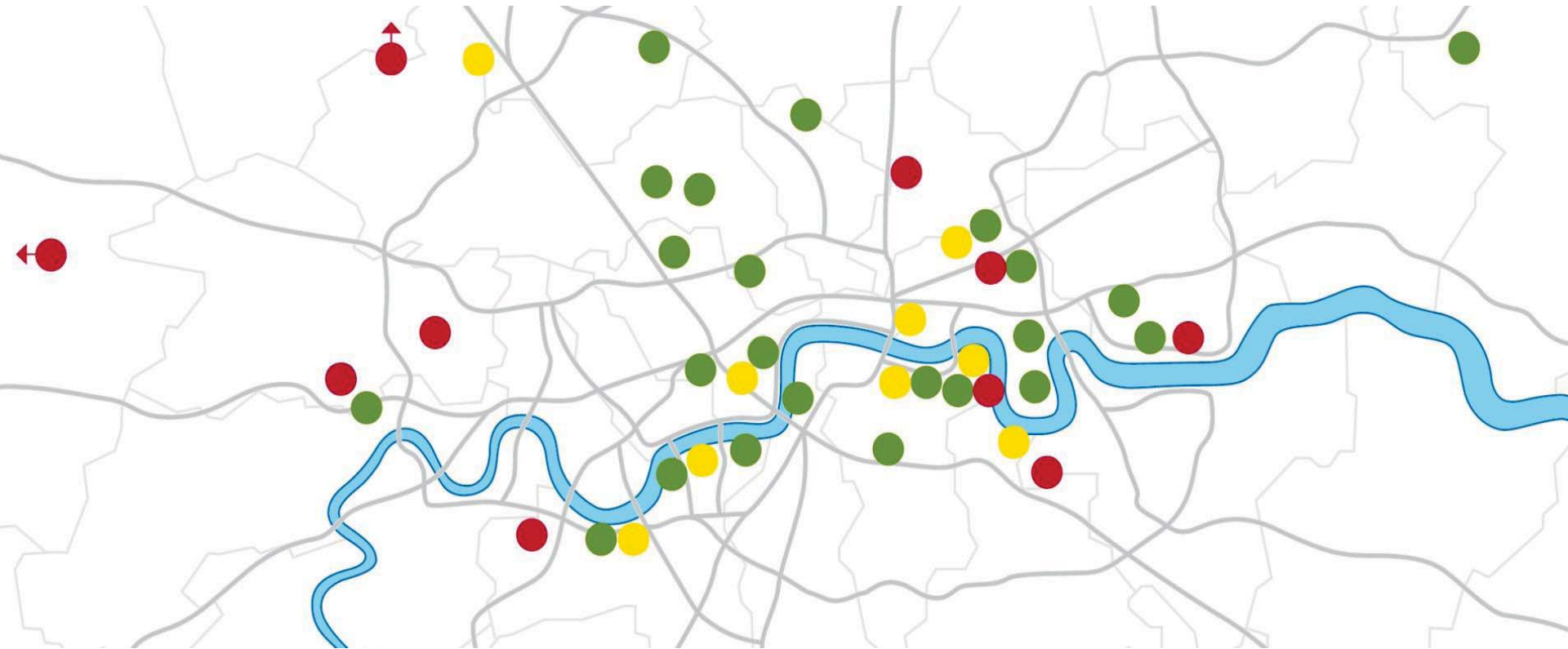
The London portfolio

UNDER CONSTRUCTION

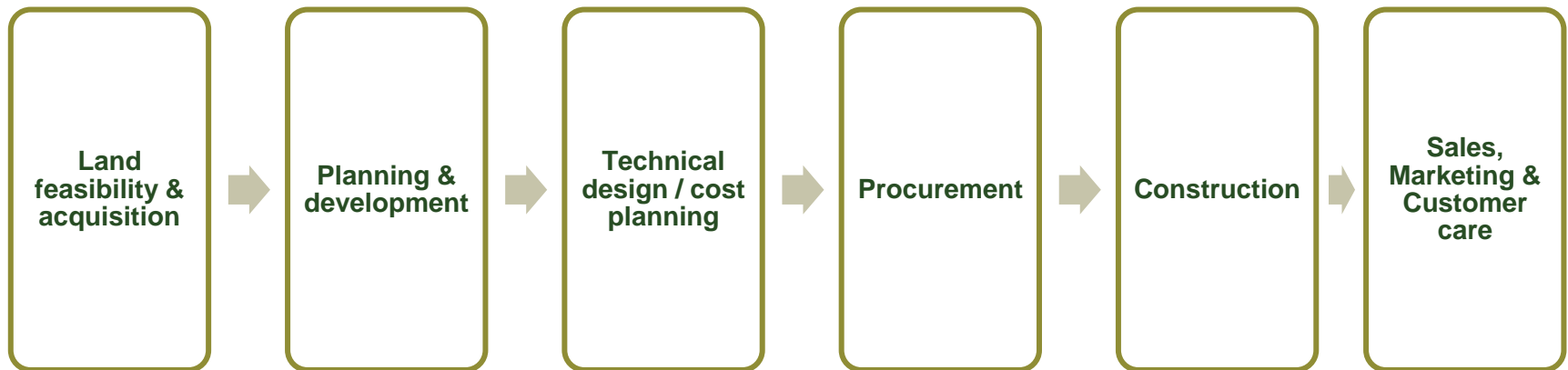


The London portfolio

FUTURE DEVELOPMENTS



End to end approach

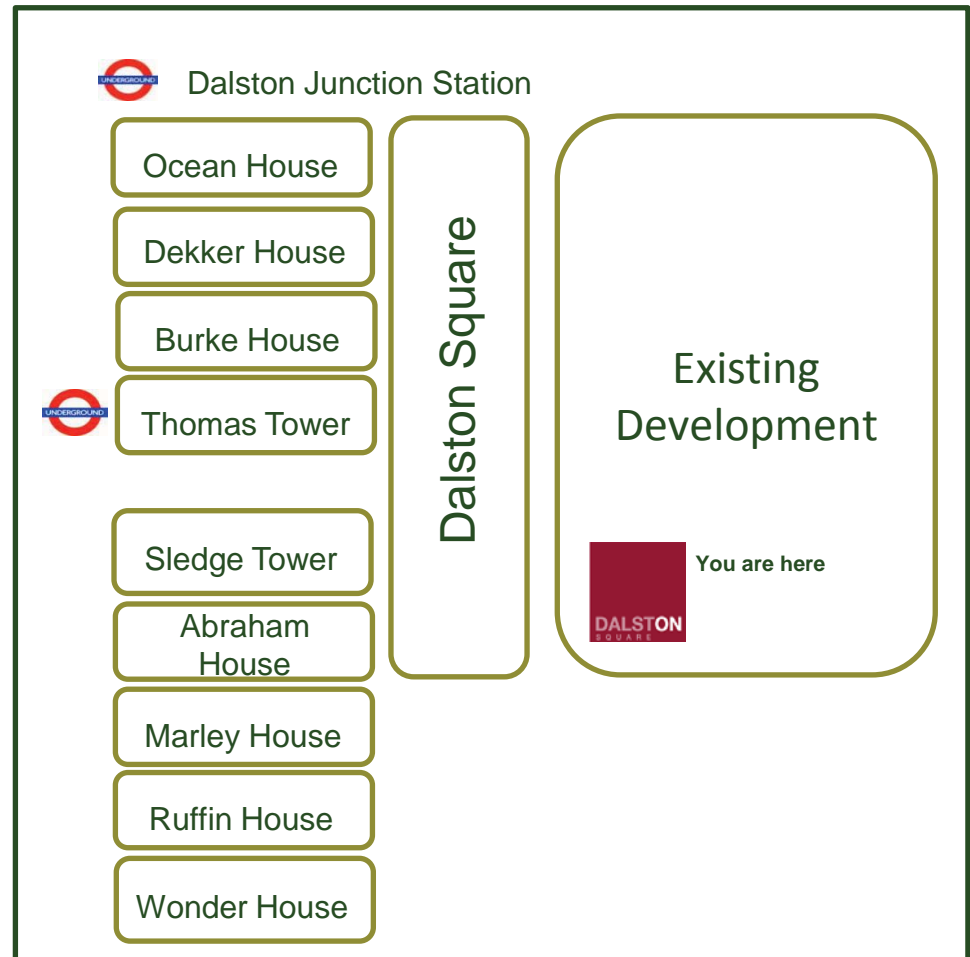


Very strong expertise across all areas

Dalston Square

- Partnership with LDA, Hackney Borough Council and TFL
- Technically very complex
 - New train station on site
 - 4 towers to be built above station
- Tight design brief
 - High social content in Phase 1
 - Unusually large apartments
 - Winter gardens
 - Public square
 - CHP requirements
 - Commercial use

Dalston Square site Map



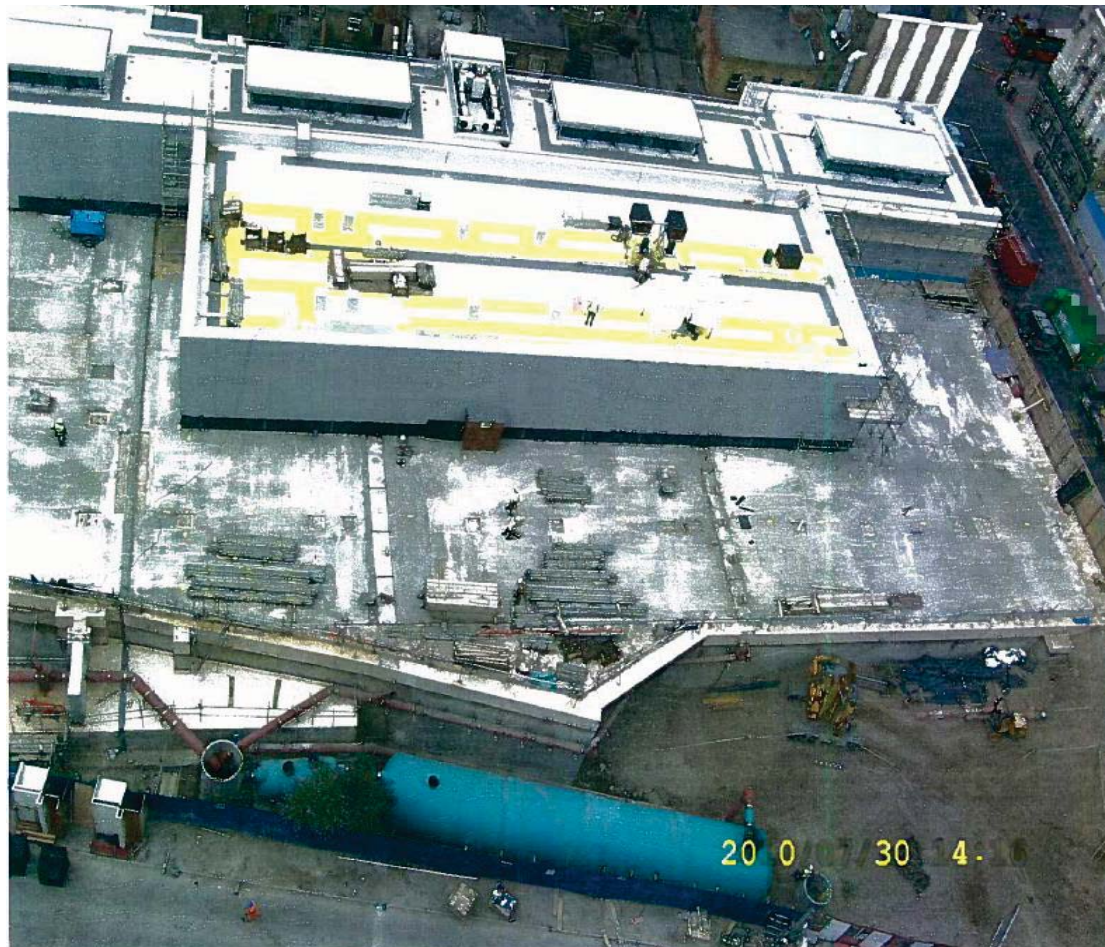
Dalston Square

Land source	LB of Hackney and TFL
Acquisition date	Nov-07
Total units	553
Total GDV	£170.8m
Social content	11%
Build start	Nov-07
Total reservations ⁽¹⁾	67%
Private ASP	£308k
Private revenue per sq/ft	£396



(1) Private reservations to date

Dalston Square



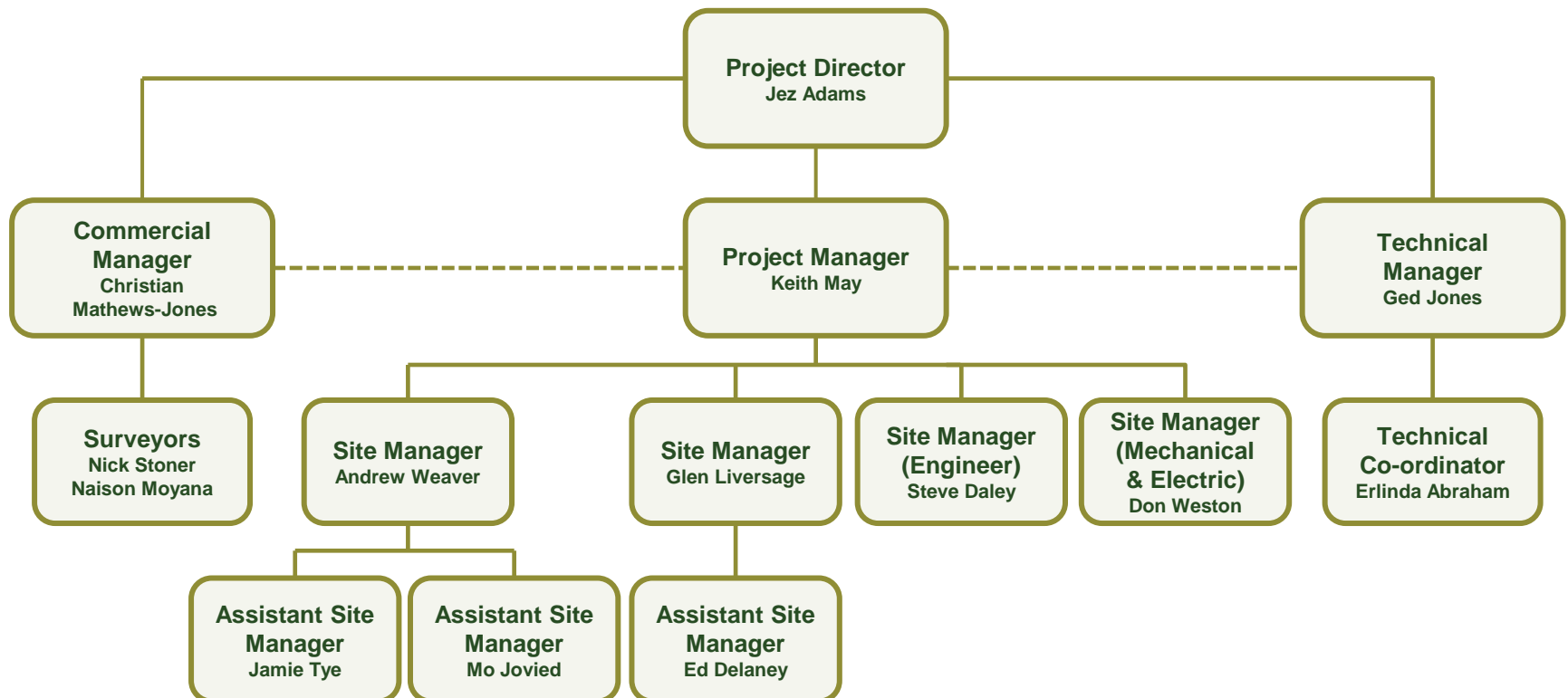
July 2010

Dalston Square



Nov 2010

Dalston delivery team



What do we build in London?

- Complete product range from very large urban regenerations to niche high value developments
 - Depth of expertise allows us to do this
 - Pursue most attractive land opportunities – not constrained by development type
 - Opportunistic
 - Balanced portfolio
 - Manage risk
-

Product range

- Urban regeneration
 - Typical schemes
 - Niche, higher value schemes
-

Urban regeneration

Barrier Point, Royal Docks, Newham
Units: 252



Urban regeneration



Urban regeneration

Renaissance, Lewisham

Units: 788

GDV: £155m



Urban regeneration

Great West Quarter, Brentford
Units: 801
GDV: £265m



Maple Quays – Canada Water

Land source	Southwark Council/British Land
Acquisition date	Dec-07
Total units	900
Total GDV	£267m
Social content	26%
Build start	May-08
Total reservations ⁽¹⁾	314
Private ASP	£330k
Private revenue per sq/ft	£515
Sales rate	2.4/week



(1) Private reservations to date

Typical schemes

- Approximately:
 - 2 years timeframe
 - Mainly residential
 - Technically less complex
- Schemes designed for target customer
 - Typically, professionals working in central London

Typical schemes



Typical schemes



Oyster Wharf. Battersea
Units: 155
GDV: £65m

Typical schemes



Putney Square – Wandsworth

Land source	South Thames College
Acquisition date	Mar-06
Total units	214
Total GDV	£85m
Social content	25%
Build start	Nov-09
Total reservations ⁽¹⁾	138
Private ASP	£467k
Private revenue per sq/ft	£698
Sales rate	1.7/week



(1) Private reservations to date

Niche, higher value schemes

Allingham Court, Hampstead

Units: 12

GDV: £65m



Niche, high value schemes

Rochester Row, Westminster

Units: 51

GDV: £41m



Horseferry

Land source HM Court Services

Exchange date Jan-08

Total units 144

Total GDV £113m

Social content 0%

Build start Oct-11

Private ASP £783k

Private revenue per sq/ft £1,021



Operating in London

- Operating in the London market is extremely complex
- This provides challenges but also acts as a barrier to entry

Greg Tillotson
Regional Development Director
London



Tria. Bethnal Green
Units: 51
GDV: £14m

Land acquisition and planning

Land acquisition

- Identification
- Right price
- Best terms
- All achieved within the wider constraints of the business

Planning permission

- Securing consents
- Quick timeframe
- Optimising land value

The London land market

Highly competitive market with unique and complex features

- Supply tightly limited
 - Greater London Authority, The Mayor, 32 London Boroughs, Development Agencies
 - Greenfield opportunities are limited
 - Largely brownfield land—physical constraints and technical challenges
 - Competition from many sources other than volume housebuilders
-

London landbank

Total plots owned or contracted*	7,150
Number of sites	30
Number of London boroughs	16
% plots in partnership with public sector	64%
Average private selling price	£150k - £3.5m

* Includes JV's

Developer of choice for the public sector

- Understand objectives
- Work with leading architects
- Engage with local community
- Deliver high quality product

Established trust and track record of delivery

Working with the public sector

- **Beneficial payment terms for land**
 - Deferral over a number of years
 - Provision of public facilities in lieu of cash
 - **Secured high levels of affordable housing grant funding**
 - FY 09/10 secured £65m from HCA
 - 50% payable on start of site
 - **Increased supply of public sector land**
 - Repercussion of Govt spending review
 - Councils looking to land sales and public/private partnerships
 - **GLA committed to delivering more houses across the capital**
 - GLA controls LDA and HCA land in London
-

Planning in London

- Planning process is complicated, protracted and expensive
 - Barrier to development
 - Sites with planning consent command premium
 - Information required has increased significantly
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Planning in London



Planning in London



Increased requirements

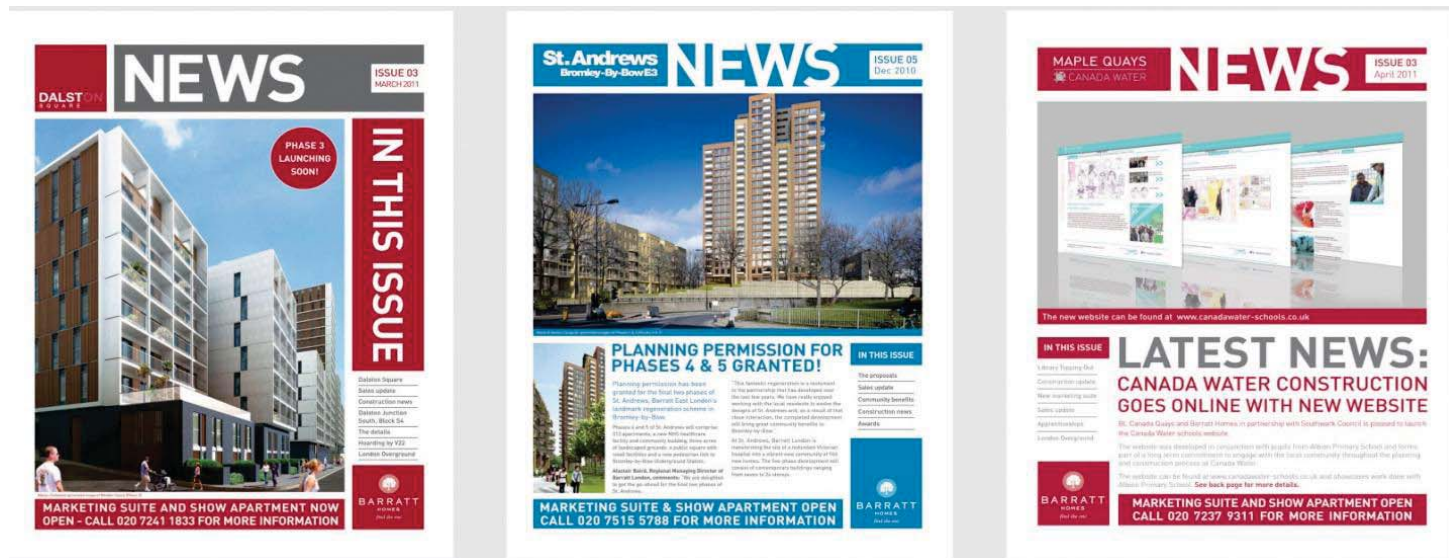


Working with the housing associations



Localism

- Intrinsic part of the development process
- Consult extensively pre-application with community groups, residents and politicians
- Establish construction working groups
- Publish quarterly newsletters



Planning status

Total plots owned or contracted*	7,150
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% plots with planning permission	97%
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Number of plots achieved planning permission in the past 3 years	6,062
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* Includes JV's

St Andrews – Bromley by Bow

- A partnership with the London Development Agency
- 9 acres former hospital site
- Close to 2 stations
- Competitive tender with design emphasis
- Exchanged contracts in June 2007
- Purchase price payable over 5 years
- 964 units comprising 42% affordable housing
- Obtained planning permission in October 2008



Working with the local community



David Goody &
the Bromley football team

Altitude – Alie Street

- Located on the edge of the City of London
- Close to 5 underground stations
- Planning permission for 235 units in a 27 storey tower
- A 50:50 deadlock JV with L&Q Housing Trust
- L&Q arranging debt financing
- Barratt receives management fee and is responsible for construction, sales and admin



Renaissance - Lewisham

- Partnership with Lewisham Council
- Adjoins mainline railway station
- 788 apartments
- New purpose built leisure centre provided in lieu of land premium
- HCA grant funding of £23m secured



Gary Patrick
Regional Sales Director
London



**Waterside Park Sales & Marketing
Suite**

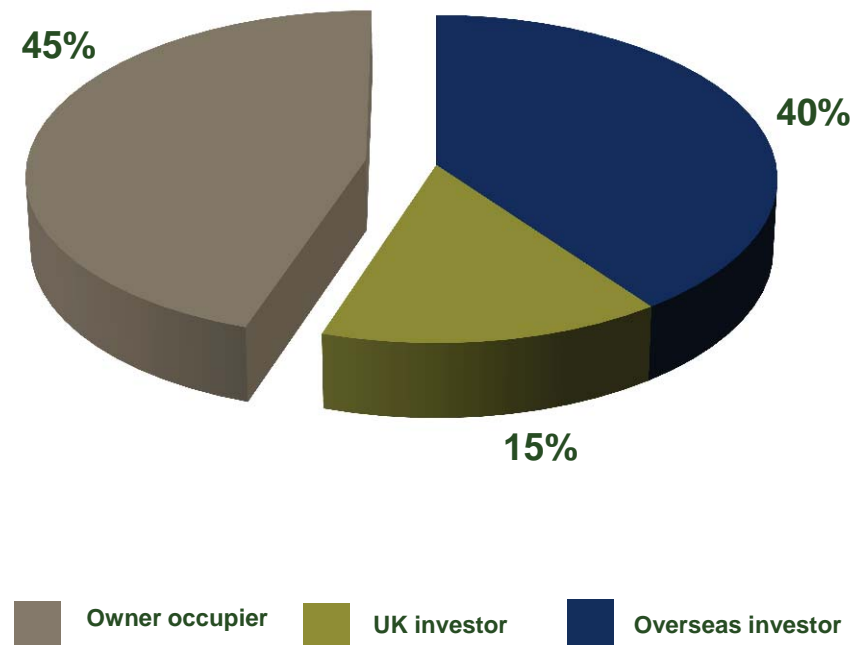
Our customers

- Customer profile changed significantly
 - Economic conditions
 - UK mortgage market
- Today's purchaser is more discerning and demanding
 - Proximity to work
 - Transport links are key
- Older purchaser profile
 - Average age of independent first time buyer is 37 years old

Owner occupiers

- Significant proportion first time buyers
- Typically require a 20% deposit
- Often seek parental assistance
- Shared equity important selling tool

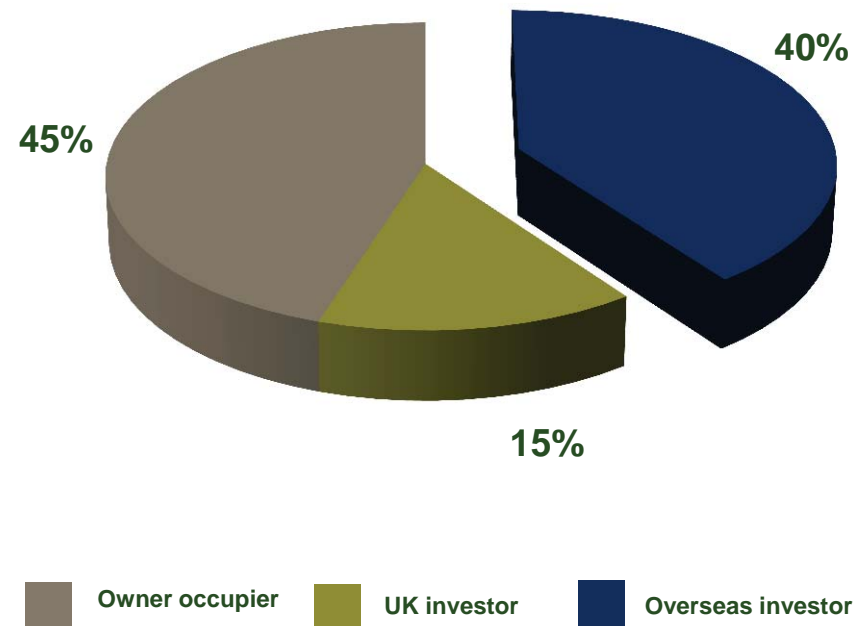
Total private completions by buyer type FY 2010/11 (f)



Overseas investor

- Increasingly large % of our completions
- London property market attractive
 - Good growth prospects
 - Safe haven
 - Weak sterling
- Hong Kong and Singapore key markets
- Exploring other overseas opportunities e.g. China and India

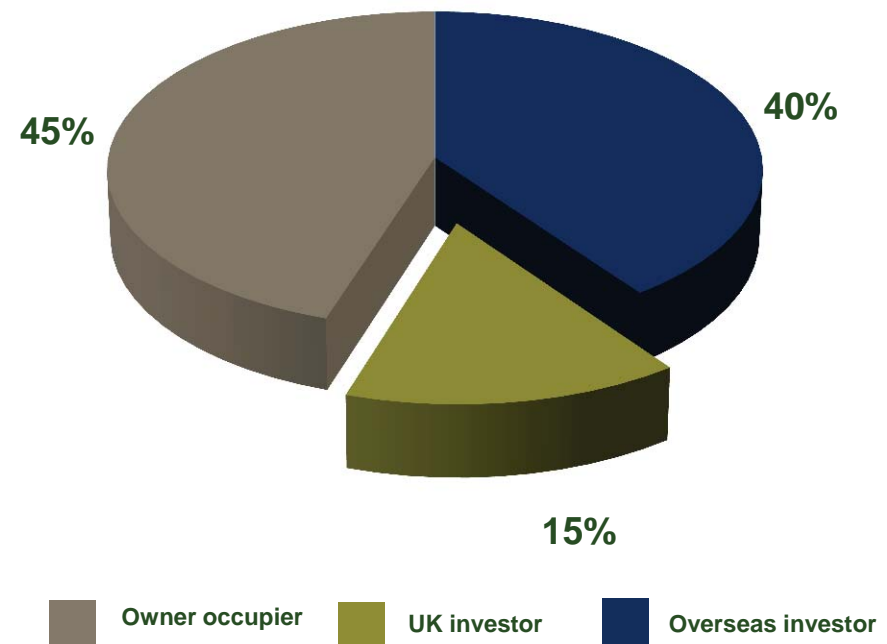
Total private completions by buyer type FY 2010/11 (f)



UK investor

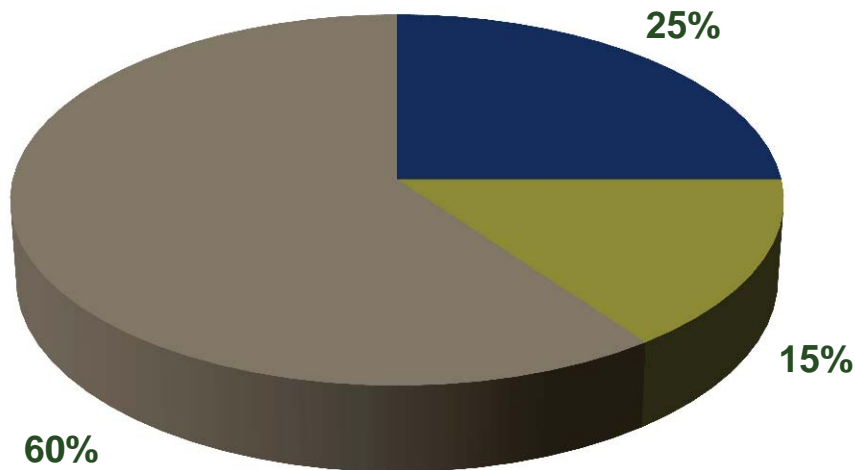
- Increased demand for rental properties due to constrained mortgage market
- Increasingly more attractive investment proposition
 - Increasing rental yields
 - Low interest rates

Total private completions by buyer type FY 2010/11 (f)

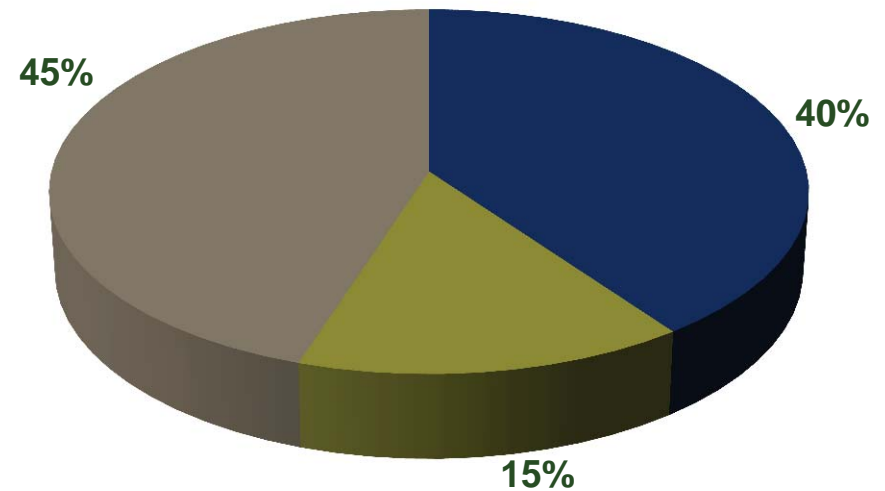


Barratt London buyer profile

Total private completions by buyer type FY 2009/10



Total private completions by buyer type FY 2010/11 (f)



Owner occupier UK investor Overseas investor

Our approach to selling

- We work closely with all departments as soon as site is identified
- Sell off plan
- Impressive and detailed marketing suites help customers to envisage the dream of living there

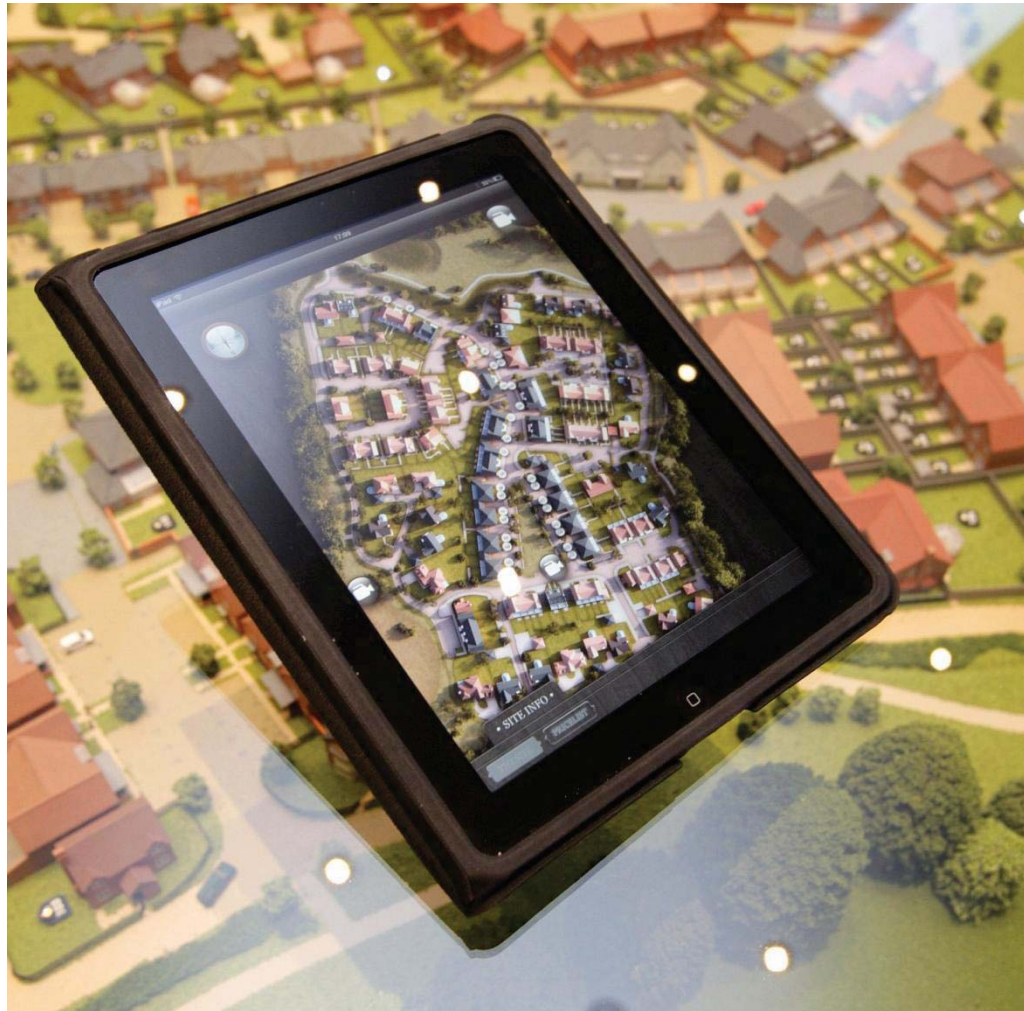


Barratt London's sales & marketing

- 65 Sales, marketing & customer staff – all directly employed
- Our team are 100% focused on selling OUR products
- Regular internal training sessions and mystery shopping
- Investment in technology



Technology



Technology


50 (1... Dalston Square Ph II - Lo... x

My area : Sign in / Register

DALSTON SQUARE

BARRATT HOMES
find the one

OVERVIEW | DEVELOPMENT | LIFESTYLE | LOCAL AREA | AVAILABILITY | CONTACT



Phase III now launched.....

New release of 1, 2 and 3 bed apartments

Dalston Square is a £160 million, ground-breaking development which is breathing life back into the heart of the Dalston area of Hackney. The exciting new scheme will provide a new community for this vibrant, cosmopolitan quarter of the capital, including new homes, residents gym, 24hr concierge, buzzing public square, shops a library and the brand new station on the East London line extension.

Find out more...

Take a look at this development in more detail by clicking on the links below

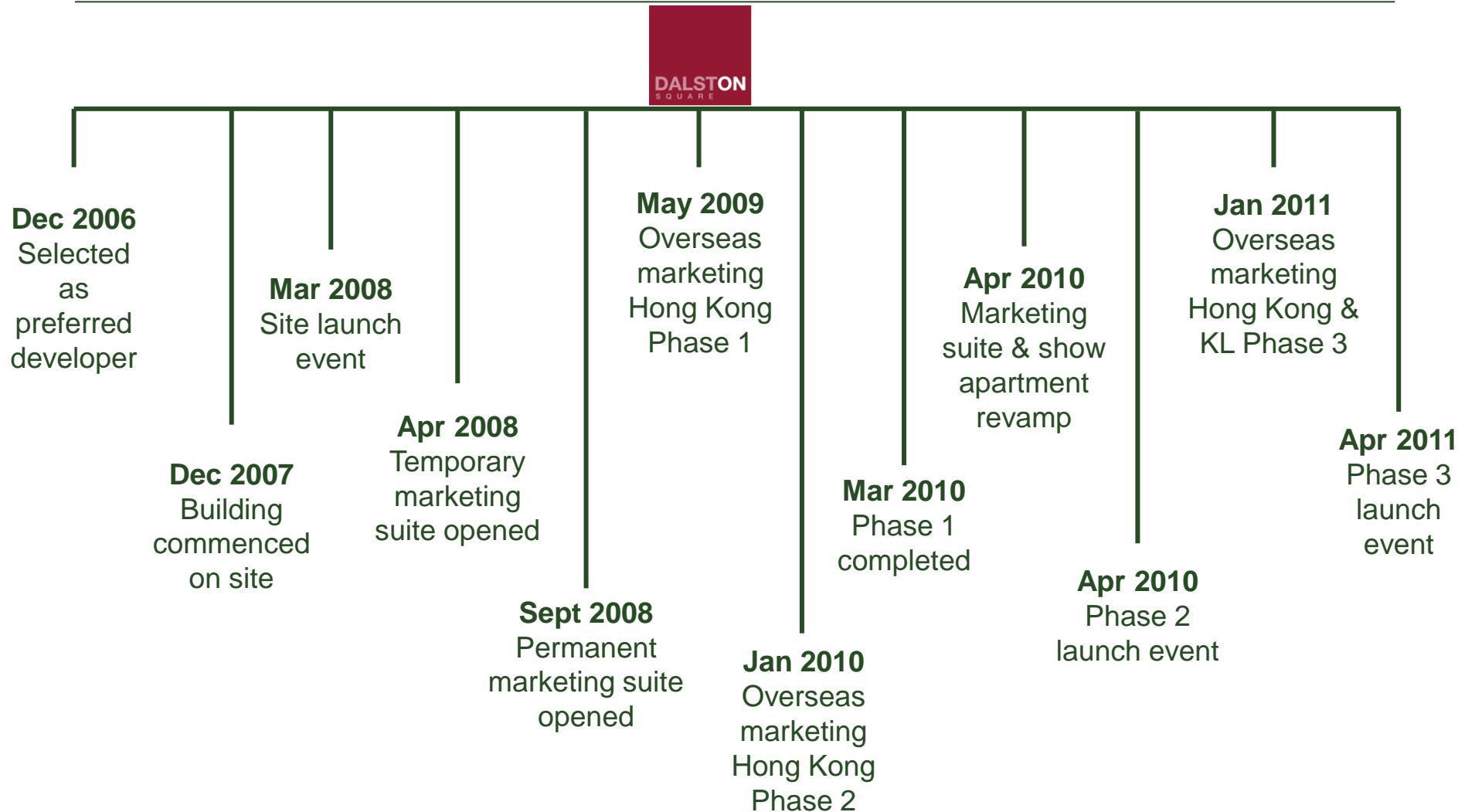
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- LifeStyle
- Local Area
- Availability
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Dalston Square



Dalston Square - Dalston

Land source	LB of Hackney and TFL
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(1) Private reservations to date

Key takeaways

- A strong track record
 - A wealth of capability
 - Plenty of opportunity for growth
-

Q & A



19 May 2011

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