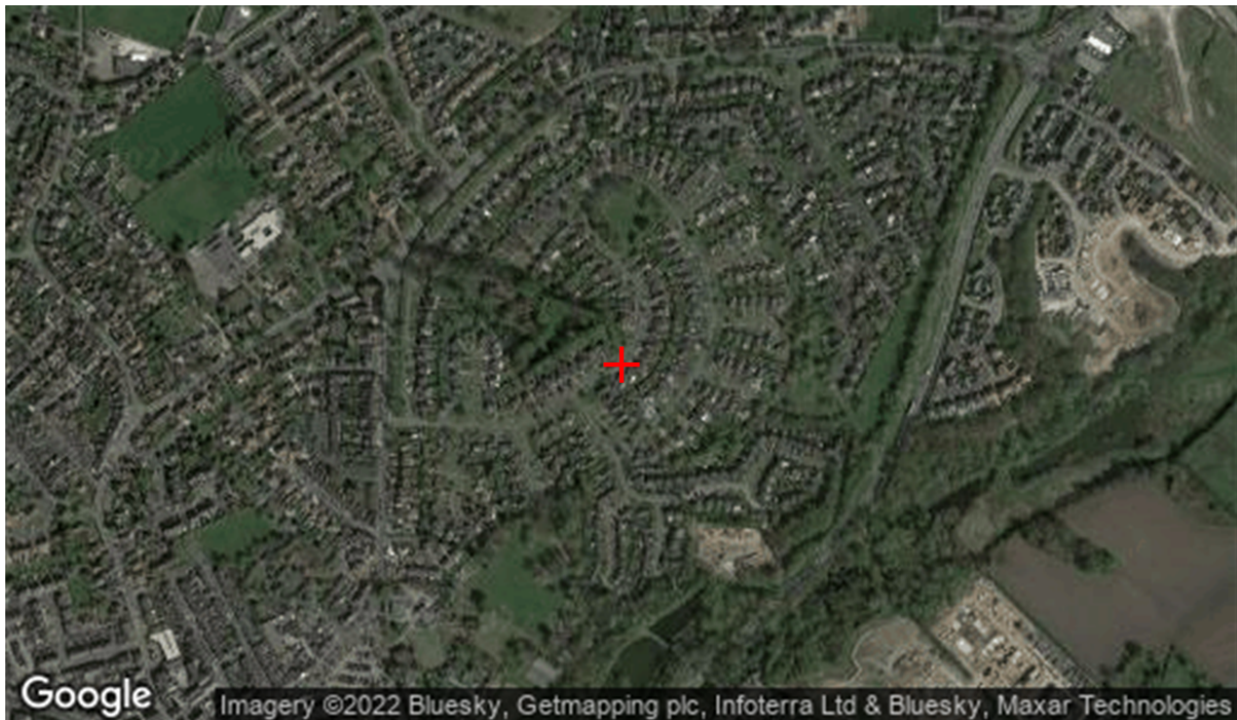


Analytics Report

Site Appraisal Report

24 May 2022



Site Appraisal Example

Contacts

For any question about this report please call 0800 019 4440 or email enquiries@hometrack.co.uk. To find out about the progress of a report you have already ordered, please contact Hometrack Customer Support on 0800 019 4440.

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NHBC is the UK's leading independent standard-setting body and provider of warranty and insurance for new homes. Our purpose is to work with the house-building industry to raise the standards of new homes and to provide protection for homebuyers in the form of Buildmark warranty and insurance.

With no shareholders, NHBC is able to invest surpluses in its purpose of improving the quality of UK house building. We also work with government and stakeholders to help shape housing policy.

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Executive Summary

This desktop report provides the latest information on new housing supply, the profile and drivers of demand and detailed pricing data for the market around the Site Appraisal Example site. The report draws on unique data held by Hometrack and NHBC in order to provide the market context to inform land acquisition, land strategy and planning related decisions.

A summary of the key findings is set out below:

The new development market

- 10 competitor schemes were selected for this report, located within an 3.7 mile radius of the site. These schemes average 131 units and contain a total of 1306 units.
- 76% of the units on these schemes are completed¹ and 20% (265) are currently under construction.
- Construction has started on 126 units in the last 6 months (of which 100% are houses and 0% flats). There are a further 43 units yet to be started.
- The average price of units under construction is £274,000.
- The most common type of property under construction are houses (99%) followed by flats (1%).

Pricing of housing across the local market area

- Across the local market area median £psf values are £174 for flats and £219 for houses.
- Upper quartile prices are £208psf for flats and £257psf for houses.
- Average prices across the local market area range from £137,000 for 2 bed flats to £275,000 for 3 bed houses and £412,000 for 4 bed houses.

Demand, affordability and rental market

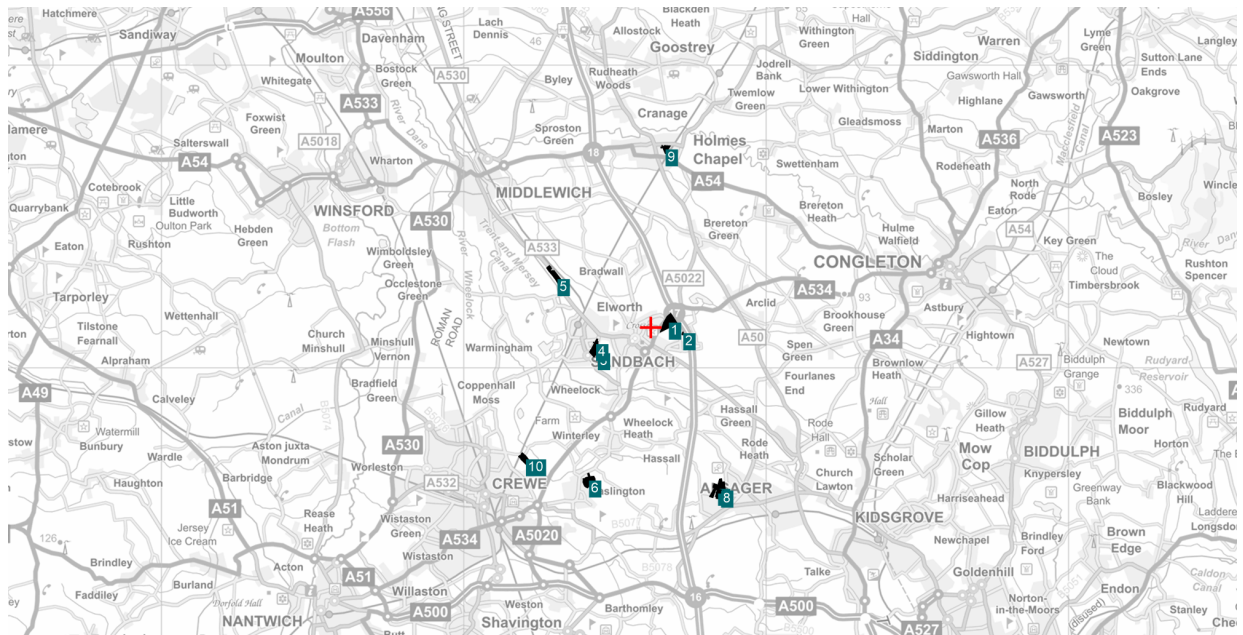
- There are 47,139 households within the local market area. 20,272 of these households are categorised as Affluent Achievers with a further 15,655 categorised as Comfortable Communities. The most common groups in these two categories are Executive Wealth (26% of total) and Countryside Communities (10% of total) respectively.
- Average household incomes in the catchment are £44,000. A household buying with a 3.5x income mortgage at 70% LTV could afford to pay £220,000.
- The unemployment rate (claimant count) in Cheshire East (B) is 0.2% compared to 0.2% six months ago.
- The average weekly rental is £155 per week and the cost of a buying with an 85% mortgage £160 per week. The average gross yield is 5.9% for a two bed property.

¹Refers to construction complete only, they may or may not have been sold.

1.1 Overview of selected developments

This analysis of the new development market is based upon the schemes shown in Figure 1. These schemes were selected at the time the report was ordered from a list of the nearest active developments registered with NHBC. NHBC register approximately 85% of all new build schemes. Active schemes are defined as having 5 or more units, with on-going new development activity taking place in the last 12 months i.e. starts or completions.

Figure 1. Map of selected schemes



Source: NHBC; Crown Copyright. All Rights Reserved. License number 10035977

Table 1. Selected developments (ordered by distance from site)

Ref	Development	Builder
1	Land off Old Mil Road	BDW TRADING LIMITED
2	Land Adj to 24 Church Lane	CHELMERE HOMES LTD
3	Abbey Road	LATIMER DEVELOPMENTS LIMITED
4	Glebe Road	T ANWYL & SON LTD
5	Albion Works,	TAYLOR WIMPEY UK LIMITED
6	Land off Crewe Road	VISTRY HOMES LIMITED
7	MMU Alsager , Hassall Road	BDW TRADING LIMITED
8	Former MMU Campus	BDW TRADING LIMITED
9	Victoria Mills	T ANWYL & SON LTD
10	Sydney Road	WATKIN JONES AND SON LTD

Source: NHBC

1.2 New development market overview

Table 2. Profile of active developments

Data	Nearest schemes	Furthest schemes	All schemes
No of schemes selected	5	5	10
Distance (miles)	0.2 - 1.9	3.2 - 3.7	0.2 - 3.7
Size range (units)	4 - 325	10 - 325	4 - 325
Average size	122	139	130
Total units (all tenures)	610	696	1306
Affordable Housing Units	19	40	59
Private Housing Units	591	656	1247
Composition			
% flats - % houses	1% - 99%	1% - 99%	1% - 99%
% affordable housing	3%	6%	5%
Progress (private units)			
Completions to date (% total)	62%	49%	55%
Completions last 6 months	24	50	74
Being built or yet to start	225	337	562
Starts in the last 6 months	30	96	126
Mix of starts (% flats / % houses)	0% - 100%	0% - 100%	0% - 100%
Proposed Pricing			
Median price	£226,000	£276,000	£252,000
Median house price	£226,000	£276,000	£252,000
Median flat price	n/a	n/a	n/a

Source: NHBC

1.3 Status of new development schemes

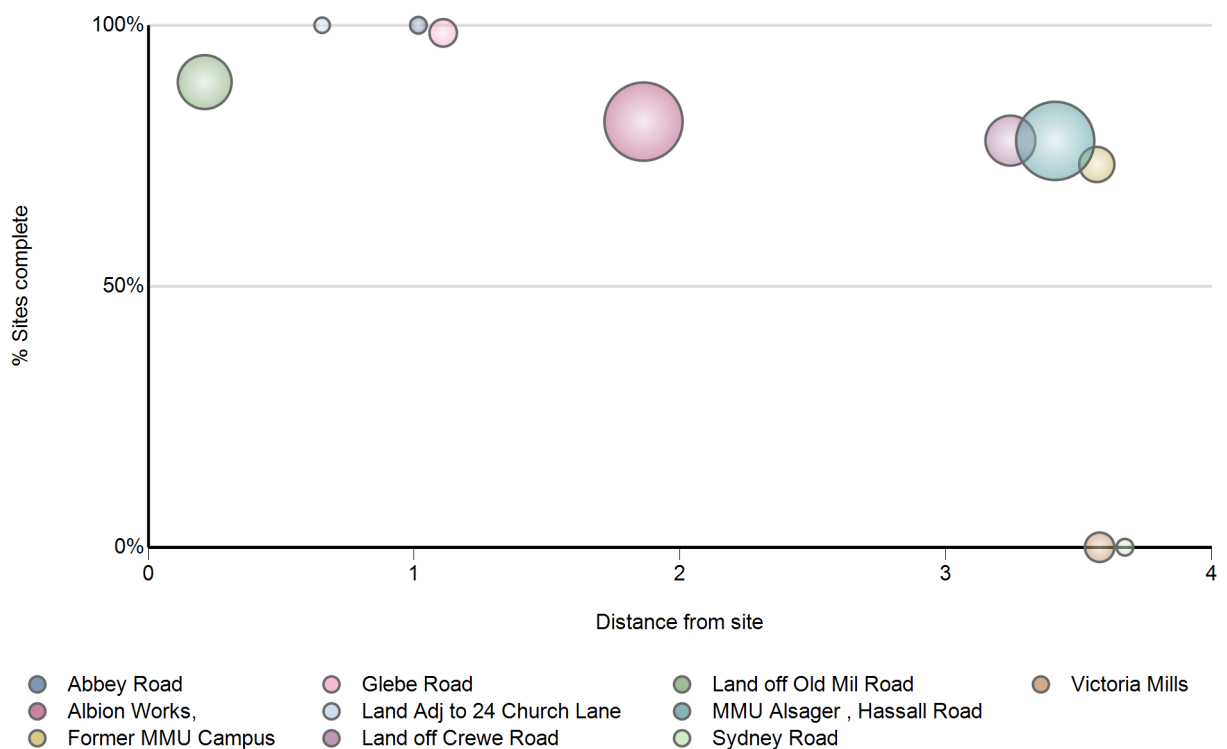
The selected schemes are at different stages of the sales and development process. Figure 2 below provides an overview of all the selected schemes according to:

- The overall size of the site – the larger the circle the larger the scheme.
- The proportion of units that have been completed – the y axis.
- The distance from the target site – the x axis.

This analysis enables a clear understanding of the local schemes that have established pricing levels from a period of development as well as the identification of schemes that present new starts and potential competition for any development in the near future.

The schemes with the greatest volume of units completed will provide the best evidence of established pricing for new build housing in the local area. The schemes with a smaller proportion of completions are likely to present future competition.

Figure 2. Size, distance and % completion rate for selected developments



Source: NHBC

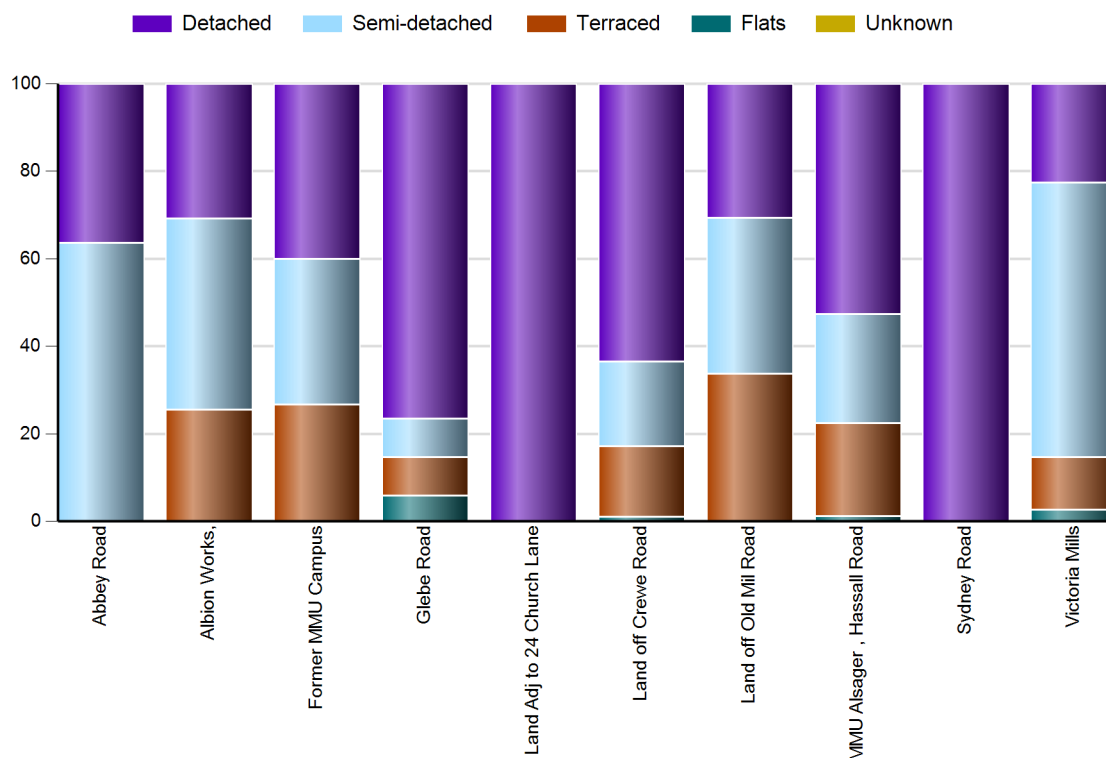
1.4 Mix of housing being developed

This section sets out a more detailed analysis of the composition of the private housing on the selected schemes focusing on units currently under construction or completed in the last 12 months. Figure 3 shows the mix of private housing being developed, scheme by scheme.

In summary, the analysis shows:

- The most common type of property under construction are houses (99%) followed by flats (1%).
- Across the 5 schemes closest to the site houses are the most common property type, accounting for 99% of all units.
- Across the 5 schemes furthest away from the site houses are the most common property type, accounting for 100% of all units.
- The two schemes with the most houses (325 and 321 respectively) are:
 - Site 5 - Albion Works, - TAYLOR WIMPEY UK LIMITED
 - Site 7 - MMU Alsager , Hassall Road - BDW TRADING LIMITED
- The two schemes with the most flats (4 and 4 respectively) are:
 - Site 4 - Glebe Road - T ANWYL & SON LTD
 - Site 7 - MMU Alsager , Hassall Road - BDW TRADING LIMITED

Figure 3. Mix of housing being developed



Source: NHBC

1.5 Scheme by scheme analysis

The tables in this section set out detailed information on the profile and current status of the selected developments shown in figure 1.

When reading these tables please note:

- The scheme start date reflects the date the scheme was registered with NHBC.
- On phased schemes the information may be for an individual phase rather than the whole scheme - not all phases will include affordable housing, which may be separate.
- The price ranges are those that were proposed at the time of registration although the proposed pricing shown is for units currently under construction.
- If pricing information is older than 12 months it is labelled as "Out of Date". This is to avoid comparing historic pricing with the current pricing considered elsewhere in this report.
- Complete refers to units that are built. These units may or may not have been sold.

Scheme 1 - Land off Old Mil Road - BDW TRADING LIMITED	
Distance to Site	0.2 miles
Number of units (% started)	202 (98%)
% houses / % flats	100% / 0%
Scheme start date	2 April 2015
% affordable housing	0%
Price range (proposed at registration)	£192,000 - £353,000
Total number of units completed (% completed)	136 (67%)
Number of private units completed	136
Number of private units completed in last 6 months	14
Number of private units yet to start (last plot started)	4 (Nov 2021)

Scheme 2 - Land Adj to 24 Church Lane - CHELMERE HOMES LTD	
Distance to Site	0.7 miles
Number of units (% started)	4 (100%)
% houses / % flats	100% / 0%
Scheme start date	6 July 2018
% affordable housing	0%
Price range (proposed at registration)	Prices out of date
Total number of units completed (% completed)	3 (75%)
Number of private units completed	3
Number of private units completed in last 6 months	1
Number of private units yet to start (last plot started)	None (Dec 2018)

Section 1

The New Development Market

Scheme 3 - Abbey Road - LATIMER DEVELOPMENTS LIMITED

Distance to Site	1.0 miles
Number of units (% started)	11 (100%)
% houses / % flats	100% / 0%
Scheme start date	29 July 2019
% affordable housing	0%
Price range (proposed at registration)	Prices out of date
Total number of units completed (% completed)	3 (27%)
Number of private units completed	3
Number of private units completed in last 6 months	1
Number of private units yet to start (last plot started)	None (Feb 2020)

Scheme 4 - Glebe Road - T ANWYL & SON LTD

Distance to Site	1.1 miles
Number of units (% started)	68 (100%)
% houses / % flats	94% / 6%
Scheme start date	14 August 2018
% affordable housing	21%
Price range (proposed at registration)	£305,000 - £335,000
Total number of units completed (% completed)	42 (62%)
Number of private units completed	42
Number of private units completed in last 6 months	0
Number of private units yet to start (last plot started)	None (Jun 2021)

Scheme 5 - Albion Works, - TAYLOR WIMPEY UK LIMITED

Distance to Site	1.9 miles
Number of units (% started)	325 (96%)
% houses / % flats	100% / 0%
Scheme start date	19 August 2015
% affordable housing	2%
Price range (proposed at registration)	£155,000 - £295,000
Total number of units completed (% completed)	182 (56%)
Number of private units completed	182
Number of private units completed in last 6 months	8
Number of private units yet to start (last plot started)	13 (Apr 2022)

Section 1

The New Development Market

Scheme 6 - Land off Crewe Road - VISTRY HOMES LIMITED

Distance to Site	3.2 miles
Number of units (% started)	181 (93%)
% houses / % flats	99% / 1%
Scheme start date	14 March 2017
% affordable housing	22%
Price range (proposed at registration)	£194,000 - £470,000
Total number of units completed (% completed)	67 (37%)
Number of units completed	67
Number of units completed in last 6 months	11
Number of units yet to start (last plot started)	12 (Jan 2022)

Scheme 7 - MMU Alsager , Hassall Road - BDW TRADING LIMITED

Distance to Site	3.4 miles
Number of units (% started)	325 (98%)
% houses / % flats	99% / 1%
Scheme start date	20 September 2017
% affordable housing	0%
Price range (proposed at registration)	£102,000 - £580,000
Total number of units completed (% completed)	196 (60%)
Number of units completed	196
Number of units completed in last 6 months	17
Number of units yet to start (last plot started)	7 (Apr 2022)

Scheme 8 - Former MMU Campus - BDW TRADING LIMITED

Distance to Site	3.6 miles
Number of units (% started)	105 (100%)
% houses / % flats	100% / 0%
Scheme start date	26 November 2019
% affordable housing	0%
Price range (proposed at registration)	£159,000 - £320,000
Total number of units completed (% completed)	55 (52%)
Number of units completed	55
Number of units completed in last 6 months	21
Number of units yet to start (last plot started)	None (Jan 2022)

Section 1

The New Development Market

Scheme 9 - Victoria Mills - T ANWYL & SON LTD

Distance to Site	3.6 miles
Number of units (% started)	75 (97%)
% houses / % flats	97% / 3%
Scheme start date	8 June 2021
% affordable housing	0%
Price range (proposed at registration)	£206,000 - £379,000
Total number of units completed (% completed)	1 (1%)
Number of units completed	1
Number of units completed in last 6 months	1
Number of units yet to start (last plot started)	2 (Mar 2022)

Scheme 10 - Sydney Road - WATKIN JONES AND SON LTD

Distance to Site	3.7 miles
Number of units (% started)	10 (50%)
% houses / % flats	100% / 0%
Scheme start date	8 March 2022
% affordable housing	0%
Price range (proposed at registration)	£260,000 - £295,000
Total number of units completed (% completed)	0 (0%)
Number of units completed	0
Number of units completed in last 6 months	0
Number of units yet to start (last plot started)	5 (Apr 2022)

Source: NHBC

2.1 Overview of pricing across local market area

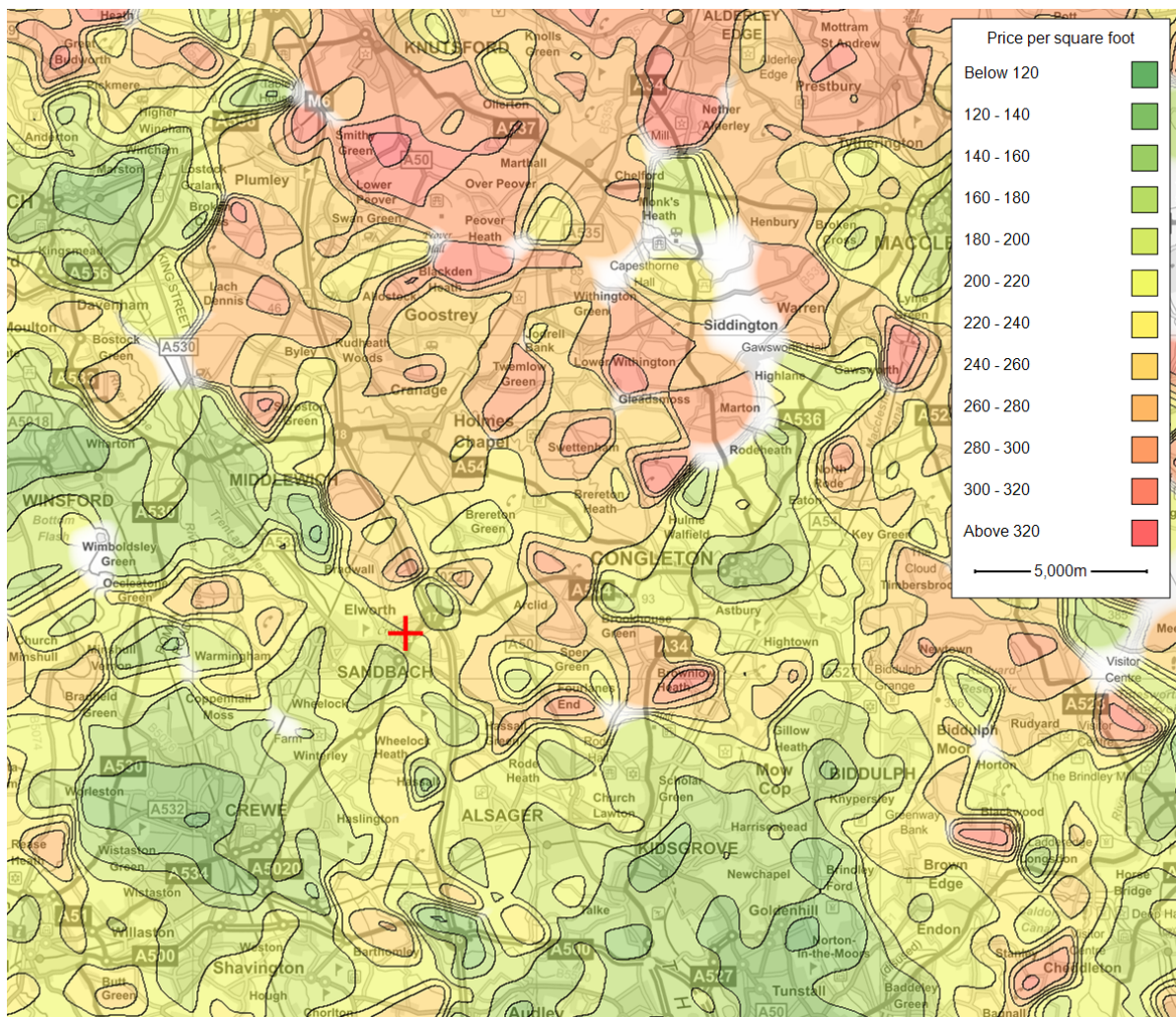
This section sets out an analysis of pricing levels and transaction volumes across the local market area, encompassing the selected developments. This is based on a combination of achieved prices from the land registry and valuation data

The data and analysis on pricing levels within this catchment is presented in two ways:

1. The profile and distribution of £psf values
2. Absolute prices achieved by property type and size over the last 12 months.

The map below provides an overview of £psf pricing across the local market area. The scheme is marked with a cross.

Figure 4. Average £psf values for residential property across the local market



Source: Hometrack

2.2 Profile of pricing on a £psf/£psm basis

Figure 5 showed the spatial distribution of average £psf values around the scheme. The analysis in this section provides information on the distribution of £psf values across the local market area for flats and houses, which is summarised in table 4. Together the map and chart provide the basis to inform initial price setting assessments.

This analysis is drawn from Hometrack's unique database of comparable evidence. All comparable market evidence from the last 5 years is indexed to current levels and then expressed on a £psf basis.

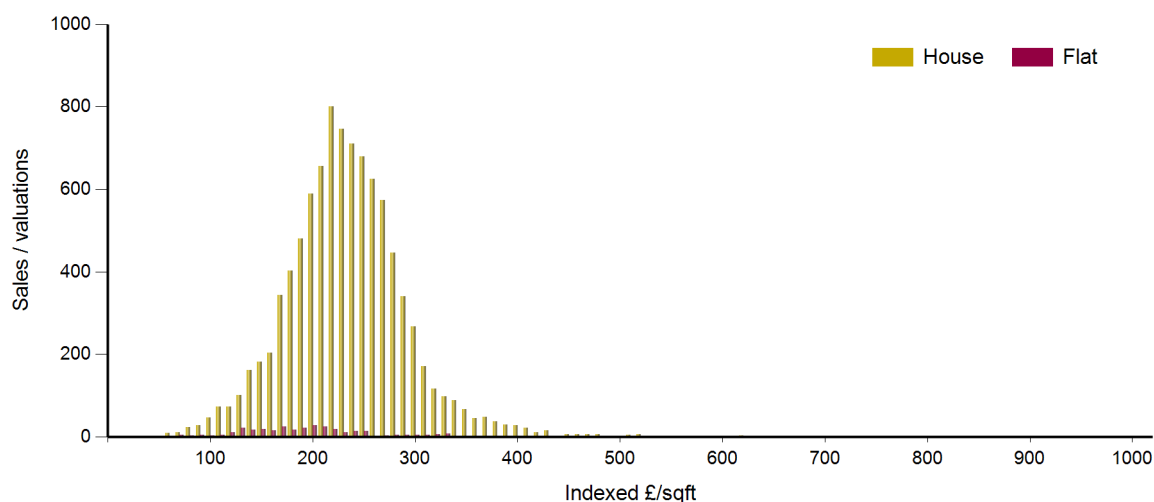
In summary £psf (£psm) prices across the catchment area are as follows:

- Median: Flats - £174psf (£1,868psm), Houses - £219psf (£2,360psm)
- Upper quartile: Flats - £208psf (£2,242psm), Houses - £257psf (£2,765psm)
- Upper decile: Flats - £240psf (£2,583psm), Houses - £298psf (£3,206psm)

Table 4. Current £psm/£psf prices across the catchment area

Price point	Flats		Houses	
	£psm	£psf	£psm	£psf
Lower Quartile	£1,487	£138	£1,991	£185
Median	£1,868	£174	£2,360	£219
Upper Quartile	£2,242	£208	£2,765	£257
Upper Decile	£2,583	£240	£3,206	£298

Figure 5. Distribution of £psf prices across the catchment area



Source: Hometrack

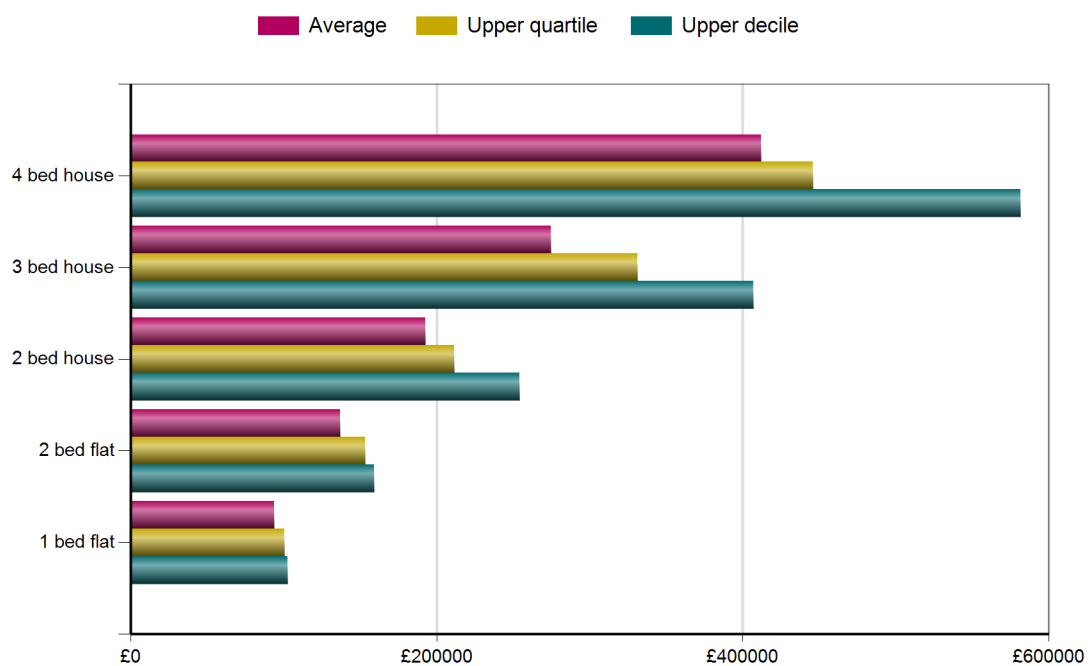
2.3 Absolute pricing levels

The table and chart below show the level of absolute prices within the local market area over the last 12 months. This is split by type and size for all property at the average, upper quartile and upper decile levels.

Table 5. Pricing in the local market by property size and type over the last 12 months

Property type / size	Average	Upper quartile	Upper decile
1 bed flat	£94,000	£101,000	£103,000
2 bed flat	£137,000	£153,000	£159,000
2 bed house	£193,000	£212,000	£254,000
3 bed house	£275,000	£331,000	£407,000
4 bed house	£412,000	£446,000	£582,000

Figure 6. Price point by property type over last 12 months



Source: Hometrack

2.4 Transaction volumes by type and price

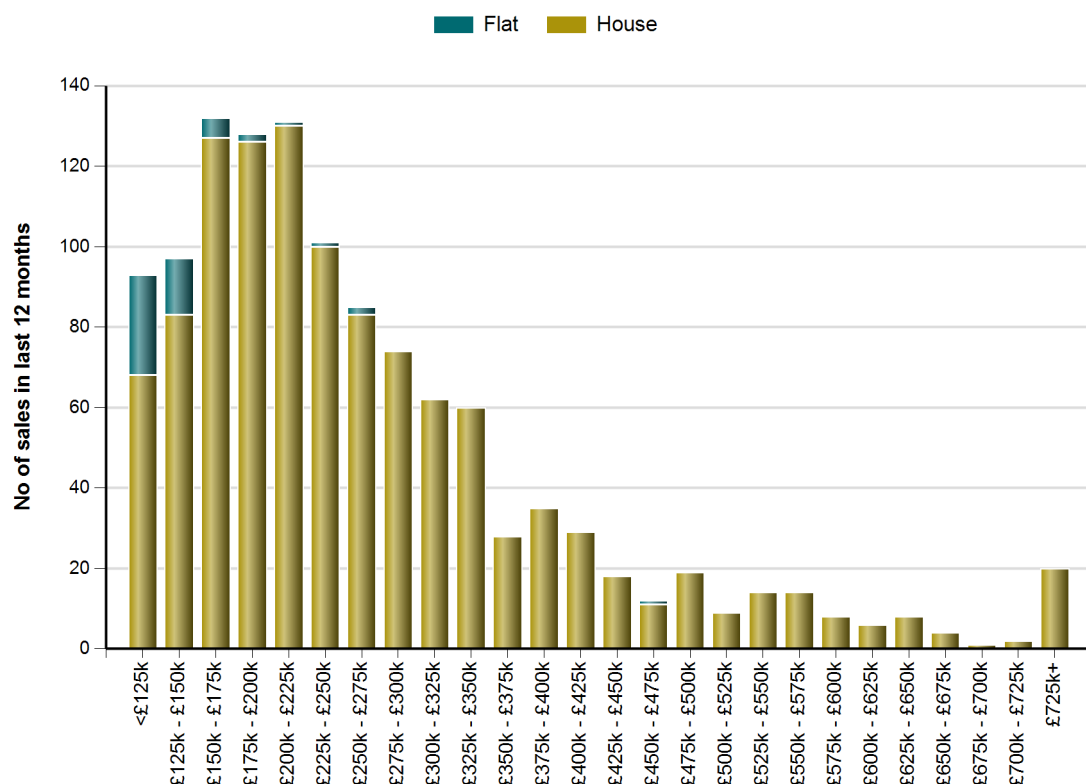
This section sets out an overview of transaction volumes across the local market area. Total turnover over the past 12 months has been 1,190 sales.

Figure 7 plots transactions by property type and price band over the last 12 months, showing where in the market there is liquidity. This is important when considering housing mix and proposed pricing levels as it identifies potential gaps in the market or areas of competition for new schemes.

The key points are:

- The turnover rate of housing is 2.5%.
- 108 (9%) of these sales were new build.¹
- The remaining 1,082 transactions were re-sales.
- Most sales (132) took place in the £150k - £175k price band.
- Most new build sales (17) took place in the £175k - £200k price band.

Figure 7. Sales volume by price band and property type last 12 months



Source: HM Land Registry / Register of Scotland

¹Please note that the number of new build sales will undercount for areas in Scotland because the Register of Scotland does not flag new build transactions

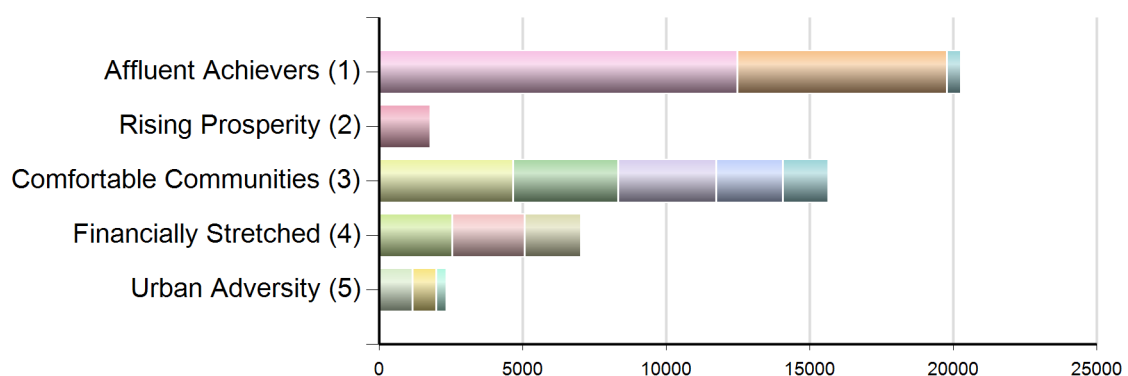
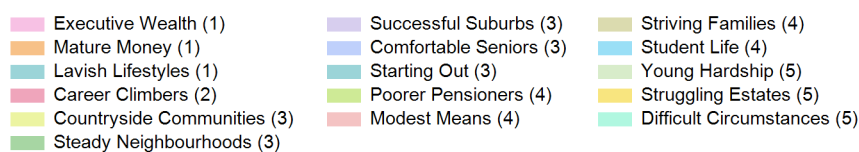
3.1 Demographic profile of households

Within the local market area there are 47,139 households. Figure 8 provides an overview of the demographic profile of these households based upon the ACORN classification system segmented by Category and further segmented by Group.

The demographic profile for the local market area shows:

- The Groups with the highest concentrations in the catchment are Executive Wealth (12,481 or 26%), followed by Mature Money (7,301 or 15%), Countryside Communities (4,677 or 10%) and Steady Neighbourhoods (3,648 or 8%).
- The two largest Categories representing the target market are Affluent Achievers (20,272 or 43%) and Comfortable Communities (15,655 or 33%).
- The two most numerous Groups in the Affluent Achievers Category are
 1. Executive Wealth – 12,481 or 26% of all households
 2. Mature Money – 7,301 or 15% of all households
- The two most numerous Groups in the Comfortable Communities Category are
 1. Countryside Communities – 4,677 or 10% of all households
 2. Steady Neighbourhoods – 3,648 or 8% of all households

Figure 8. Households in catchment by lifestyle and wealth bracket



Source: CACI ACORN

ACORN is a powerful consumer classification that segments the UK population. By analysing demographic data, social factors, population and consumer behaviour, it provides precise information and an understanding of different types of people. Acorn provides valuable consumer insight helping you target, acquire and develop profitable customer relationships and improve service delivery.

3.2 Employment, incomes and rental levels

Employment overview

The unemployment rate (claimant count) in Cheshire East (B) is 0.2% compared to 0.2% six months ago. The most common socio-economic classification in the local area is 'Lower managerial and professional' representing 24% of households.

Household incomes and buying power in local market

Average household incomes in the catchment area are £44,000 with an upper quartile of £58,000. Table 6 below shows what price of property could be considered affordable at different loan to values assuming a mortgage income multiple of 3x and 3.5x. Thus a household on an average income buying with a 70% mortgage could afford to pay £188,571 assuming a 3x income multiple and £220,000 at a 3.5x multiple.

Table 6. Incomes and buying power

LTV	Average 3x	Average 3.5x	Upper quartile 3x	Upper quartile 3.5x
50%	£264,000	£308,000	£348,000	£406,000
60%	£220,000	£257,000	£290,000	£338,000
70%	£189,000	£220,000	£249,000	£290,000
80%	£165,000	£192,000	£218,000	£254,000
90%	£147,000	£171,000	£193,000	£226,000

Source: Hometrack / CACI

Local rental market overview and the cost of renting versus buying

Generally the strongest rental demand comes from the 20-39 year old age group, it follows that areas with a high proportion of the population falling into this age group experience stronger rental demand than other areas. In the local area there are 81,000 people aged 20-39 years according to the latest population data. This group accounts for 22.0% of the local population – a proportion which is 4.9% below the average for the region.

For a typical 2 bed flat in the local authority, it is more expensive to buy outright than to rent with a standard 85% mortgage. The average weekly rental is £155 per week compared to the cost of a buying with an 85% mortgage of £160 per week.

Based on an average price of £137,000 for a 2 bed property, the gross yield is 5.9% on the basis that average rents are currently £155 per week.

The supply of rented housing in the local area accounts for 11.4% of overall housing supply. This is 3.8% below the average for the region (Source: Census 2011).

3.3 Proximity to local services

This section sets out a summary of the proximity of the site to local communication points and schools.

Table 7. Proximity to local communications

Type	Name	Distance ¹
Motorway Junction	M6 J17/A534/A5022	0.5
Railway Stations, Junctions and Halts	Sandbach Station	1.5
Underground Network Stations	Not Available	
Bus Stops	20 within 1000 metres	
Tram, Metro and Light Railway Stations and Stops	Not Available	
Airports and Landing Strips	Holmes Chapel Airfield (Disused)	2.9

Source: Ordnance Survey

Table 8. Nearest primary schools

Type	Name	Distance ¹
First, Primary and Infant Schools	Offley Primary School	0.3
	Sandbach Community Primary School	0.7
	St John's C of E Primary School	0.7

Source: Department for Children, Schools and Families

Table 9. Nearest secondary schools

Type	Name	Distance ¹
Broad Age Range and Secondary State Schools	Sandbach High School and Sixth Form College	0.7
	Holmes Chapel Comprehensive School	3.4
	Alsager School	3.8

Source: Department for Children, Schools and Families

¹All distances are given as the crow flies¹

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