



Crest Nicholson Capital Markets Day

Welcome.



Today's Agenda



- ▮ Welcome **10.30**
- ▮ Introduction to WBC, backbone site update & OSM update **10.45**
- ▮ Visit to new School, Show Homes and OSM prototypes **11.30**
- ▮ Lunch **13.00**
- ▮ Building for the future – presentation **13.30**
- ▮ Travel to Longcross: show homes & project update **14.00**
- ▮ Finish – transfer to Virginia Water **15.30**



Levering increased delivery and value from our larger site portfolio

June 2017

Chris Tinker Chairman Major Projects and Strategic Partnerships



At our last Capital Market day:



Bolnore Village

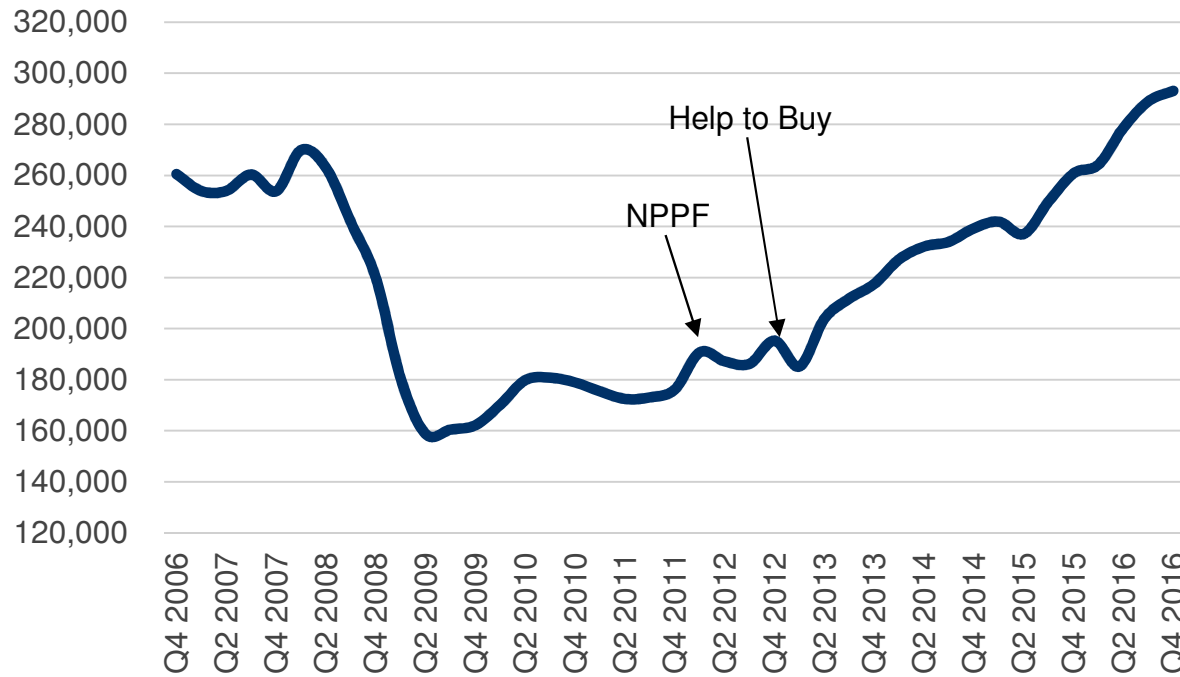
- 1,300 homes
- 80 dpa
- Phase draw down

- ❖ We looked at the benefits our larger backbone sites brought to the business
- ❖ Visited Bolnore, Kilnwood Vale and Longcross
- ❖ This morning we aim to:
 - Provide an update on progress
 - Illustrate again how we maximise delivery on our 250+ unit sites
 - Explain the Group's OSM and new core house type journey
 - Later, show how this puts us in a good place to deliver our 2019 £1.4bn and 4,000 dwellings target

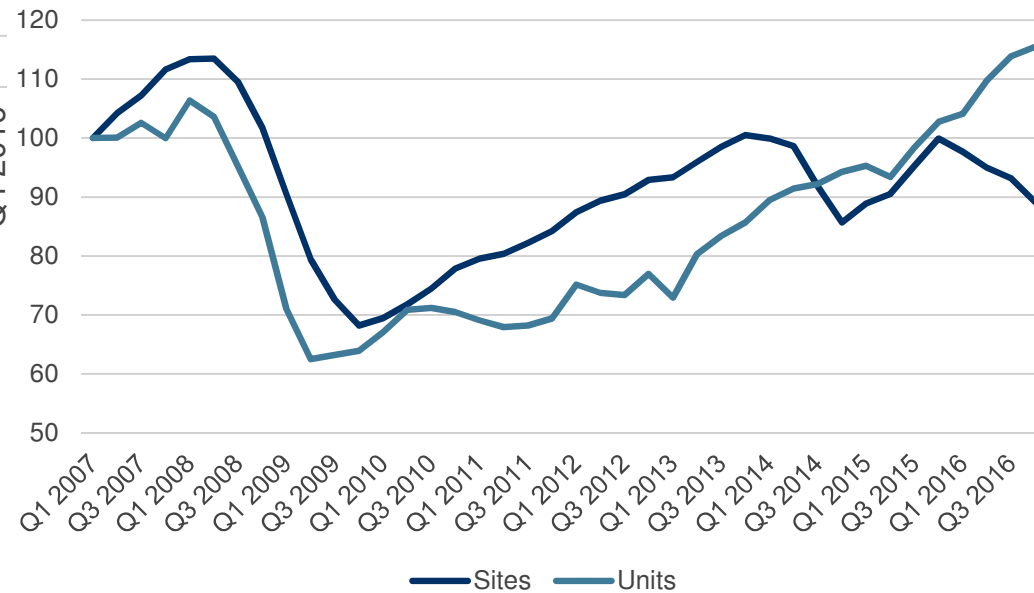
Planning – more consents, average site size growing



Annualised permissions for new homes, 2006-2016



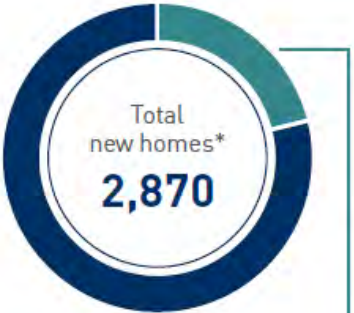
Annualised indexed planning permissions in England, sites and units, 2006/7 to 2016 (2006/7=100)



Gives LPA's ability to secure infrastructure



NEW HOMES DELIVERED IN 2016



Affordable homes (20%)

578

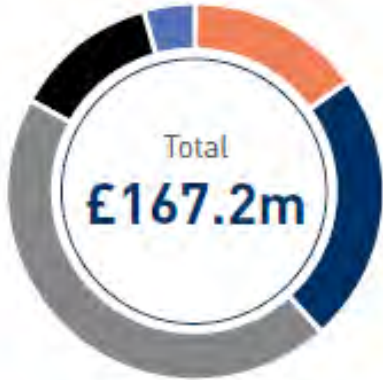
Rented (70%)

405

Shared ownership (30%)

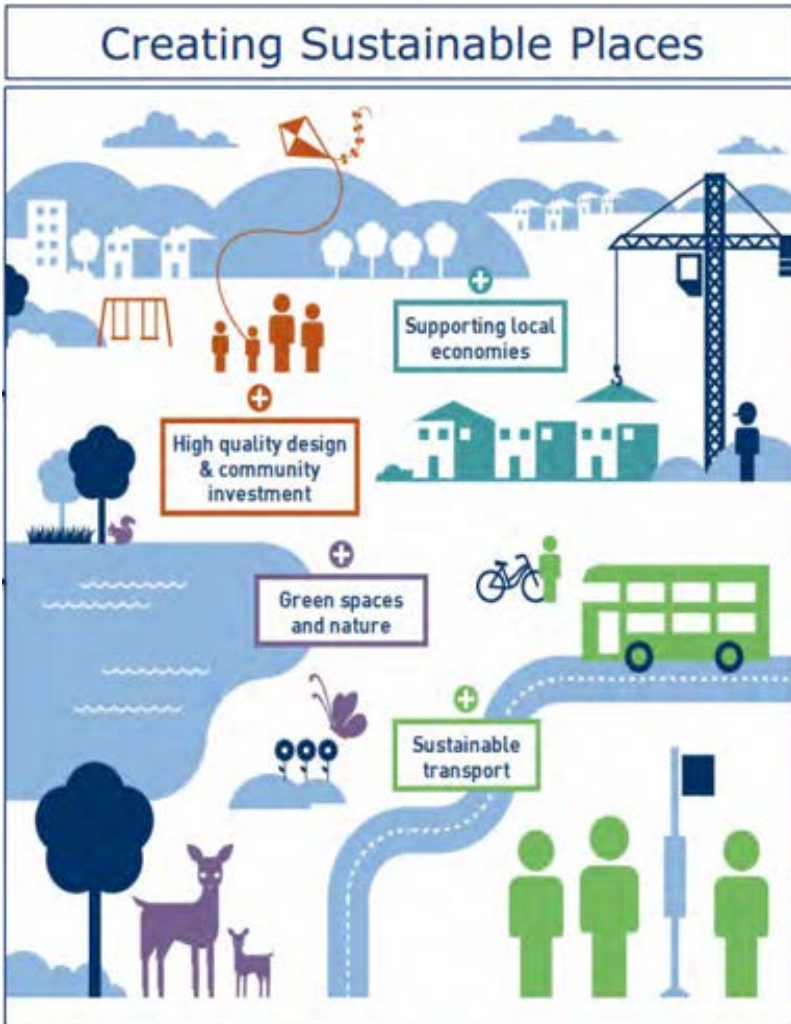
173

Committed combined Section 106 contributions and Community Infrastructure Levy payments



- £25.1m Travel and transport initiatives
- £39.3m Off-site highways
- £74.6m Education and libraries
- £21.2m Community, leisure and sports facilities
- £7.0m Ecology and art initiatives

Plays well to Crest's strengths

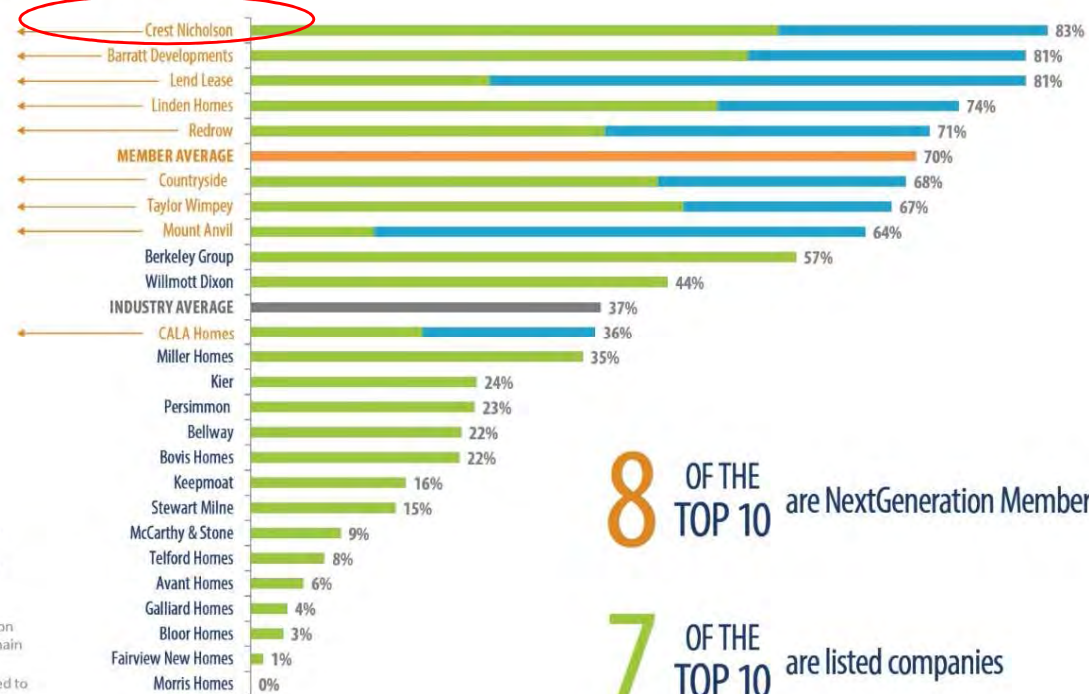


2015 NextGeneration Results



* All companies assessed on information in public domain

**Phase II: Members invited to submit further information



8 OF THE TOP 10 are NextGeneration Members

7 OF THE TOP 10 are listed companies



Larger sites underpin enhanced delivery rates






Oakgrove, Milton Keynes	228
Bath Riverside, Bath	202
Tadpole Garden Village, Swindon	136
Monksmoor Park, Daventry	128
Centenary Quay, Southampton	124
Halo, Cambridge	104
Finberry, Ashford (Kent)	99
Penarth Heights, Cardiff	89
Mitchams Park, Cambridge	85
Bolnore Village, Haywards Heath	81
Park Avenue, Sunbury	76

Higher delivery levels achieved through:

- Up front focus on place making
- Delivery of multiple housing phases – double and triple out-letting
- Complementary typologies and styles
- With delivery across all forms of tenure (OM, affordable & BTR)

Park Central, Birmingham



- Partnership with BCC 
- Average delivery 140 dpa 
- Mixed tenure & typology 

- ▶ 1,750 dwellings
- ▶ 1,000 OM, 339 BTR, 411 Affordable
- ▶ Circa 250 houses & 1,500 apartments
- ▶ Emphasis on Place-making
- ▶ No land value
- ▶ Circa £30m works in lieu



Ongoing BTR delivery at Park Central

Park Central, BTR

- 339 Units in 5 blocks
- Pre-sold to BBS Capital
- FY17 to 19 completions



Centenary Quay, Southampton



➤ Partnership with HCA



➤ Average delivery 130 dpa



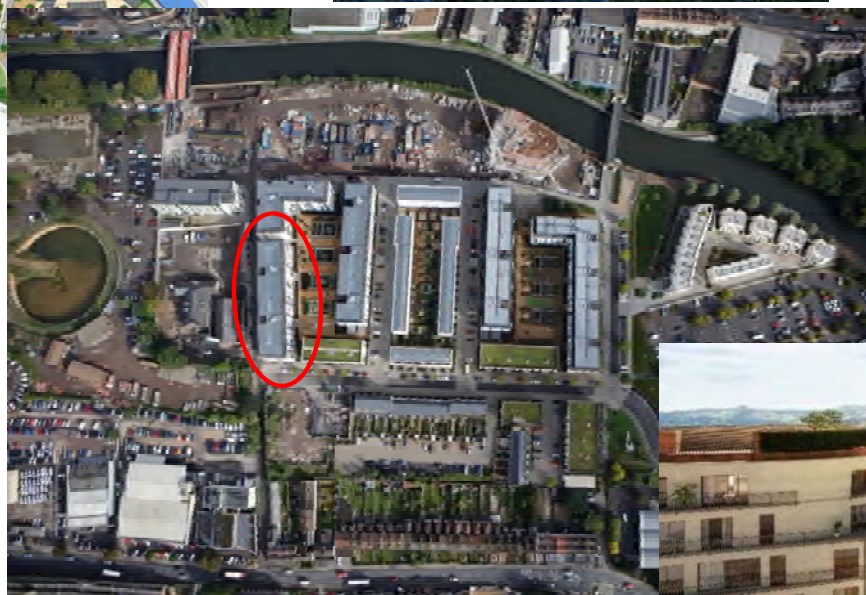
➤ Mixed tenure & typology



- ▶ OJEU award
- ▶ 1,660 dwellings
- ▶ 1,060 OM, 200 BTR, 400 Affordable
- ▶ Circa 150 houses & 1,510 apartments
- ▶ Emphasis on Place-making
- ▶ £30m District centre
- ▶ Public sector subsidises ongoing delivery



Bath Riverside, Bath



- ▶ 2,250 dwellings
- ▶ £800m GDV
- ▶ Circa 460 units left with GDV of circa £180m
- ▶ £7m public funding of infrastructure
- ▶ 97 BTR units with M&G

- ▶ Owned outright (+option)
- ▶ Partnership with B&NES
- ▶ Average delivery 120 dpa
- ▶ Mixed tenure & typology



Oakgrove Village, Milton Keynes



- ▶ 1,000 Dwellings
- ▶ £300m GDV
- ▶ New village for MK
 - £18m District centre
 - Schools and community uses
- ▶ Tranche valuations, deferred land payments
- ▶ Sharing of surplus proceeds

▶ Partnership with HCA



▶ Average delivery 180 dpa



▶ Mixed tenure & typology







▶ District Centre



Arborfield Garden Village



- Partnership with DIO 
- Ave' future delivery: 150 dpa 
- Mixed tenure & typology 
- Multi-outletting by division 

- 2,000 dwellings
- Development Manager to DIO
 - Develop 50% of Homes
 - CN GDV circa £350m GDV
 - Also deliver up to 400 PRS units
 - To develop the £30m district centre
 - Manage land sub-sales



Large-site social & physical infrastructure



▶ 1st 120 BTR units to be delivered in FY19

Total Infrastructure Investment

- Education: £25m
- Affordable Housing ☐ Offsite contribution (15%) - £24m
- Offsite highways - £24.2m
- Other S106 contributions - £5m
- On site works: open space, utilities & highways - £23.4m
- Servicing & enabling land for disposal - £22m

Total investment: £124m

All seed further partnership schemes



- Partnership with MKDC
- Anticipated delivery 100 dpa
- Mixed tenure & typology



Campbell Park

- Circa 400 Dwellings
- 325 apartments & 55 houses
- Marina and mixed uses
- Phase valuation
- Shared surplus proceeds



Strategic land supports Garden Village model



- ▮ Crest's 'Garden Village' model/brand now well established
- ▮ Welcomed by Government, LPA's and local communities alike
- ▮ Well timed for the DCLG "Locally led Garden Village" initiative

Tadpole Garden Village, Swindon



- ▶ 1,695 homes
- ▶ Consented Sept 2012
- ▶ 179 ha of green space
- ▶ £50m Community infrastructure:
 - nature park
 - primary school
 - shops
 - playing fields
 - community buildings
 - doctors/vets surgeries



- ▶ Owned outright
- ▶ Ave' CN delivery 130 dpa
- ▶ Mixed tenure & typology
- ▶ Traditional & Contemporary

Tadpole GV: Dual out-letting by design



Contemporary lifestyle housing



Traditional arts and crafts housing



Monksmoor Park: Daventry Garden Village



- ▶ 1,000 dwellings
- ▶ GDV of £230m
- ▶ 820 OM & 180 Affordable
- ▶ Private trust, tranche valuations

- ▶ Partnership with Trust
- ▶ Ave' CN delivery 130 dpa
- ▶ Mixed tenure & typology
- ▶ Traditional & Contemporary



Monksmoor Park: Further dual out-letting by design



**MONKSMOOR
PARK**
DAVENTRY



WATERSIDE
AT MONKSMOOR PARK



Other multi-outlet backbone sites:



Finberry, Ashford (1,100dw)

- Partnership (CC)
- Ave' CN delivery 100 dpa
- Mixed tenure & typology



Kilnwood Vale, West Sussex (2,400dw)

- Owned outright/phased option
- Ave' CN delivery 100 dpa
- Mixed tenure & typology



BTR at Kilnwood Vale



- 227 BTR units
- Pre-sold to M&G
- Circa £36m
- First 43 completed
- Further 50 due in FY17
- Balance in FY18



Garden Village designation at Longcross



Five more imminent backbone sites



Ipswich: 1,100 dwellings



Cheshunt: 309 dwellings

Rowden Park, Chippenham: 414 dwellings



Bury Farm, Whiteley – 520 dwellings



East of Harry Stoke: 1,428 dwellings

Further near term BTR opportunities



Longcross Ph3: up to 200 units



Harry Stoke: Up to 400 units



Bath future phases: Further 100 units



Arborfield: Up to 400 units

Value creation through upfront investment in place



And a focus on creating communities



"A new home and new ways to get around, your guide to travel choices at Kilwood Vale"

Welcome to Kilwood Vale

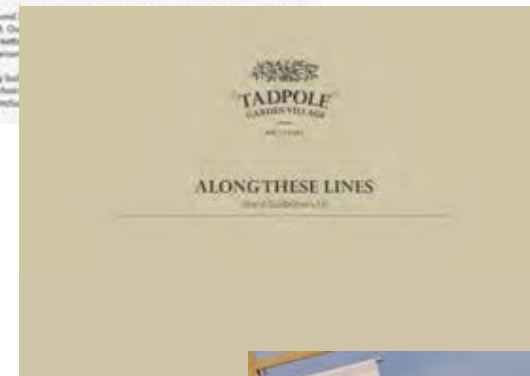
Kilwood Vale is a new development with around 1000 homes over which the site will be built. Our residents and the community by providing both the needs of the people who will live in and around...

We want a community that has sustainability but through providing good sustainable transport choices out of and around the Kilwood Vale area, it includes and sharing.



WELCOME TO THE MONKSMOOR PARK ONLINE COMMUNITY HUB

Monksmoor Park is a new community situated in a countryside setting, just over a mile to the north east of Daventry town centre, Northamptonshire. Developed by Crest Nicholson, and inspired by their Garden Village principles, this is a community where residents get to enjoy a perfect combination of town and country living.



Specialist experience & resources are required

These projects require:

- Partnership/community focussed teams
- Strategic planning experience
- Master-planning skills
- Ability to overlap outline & detailed
- Branding
- Experience in servicing land and creating places (specialist project management)
- An ability to dispose of sites (internally or externally) whilst controlling quality
- An understanding of cost effective long term management solutions
- A track record



Thank you



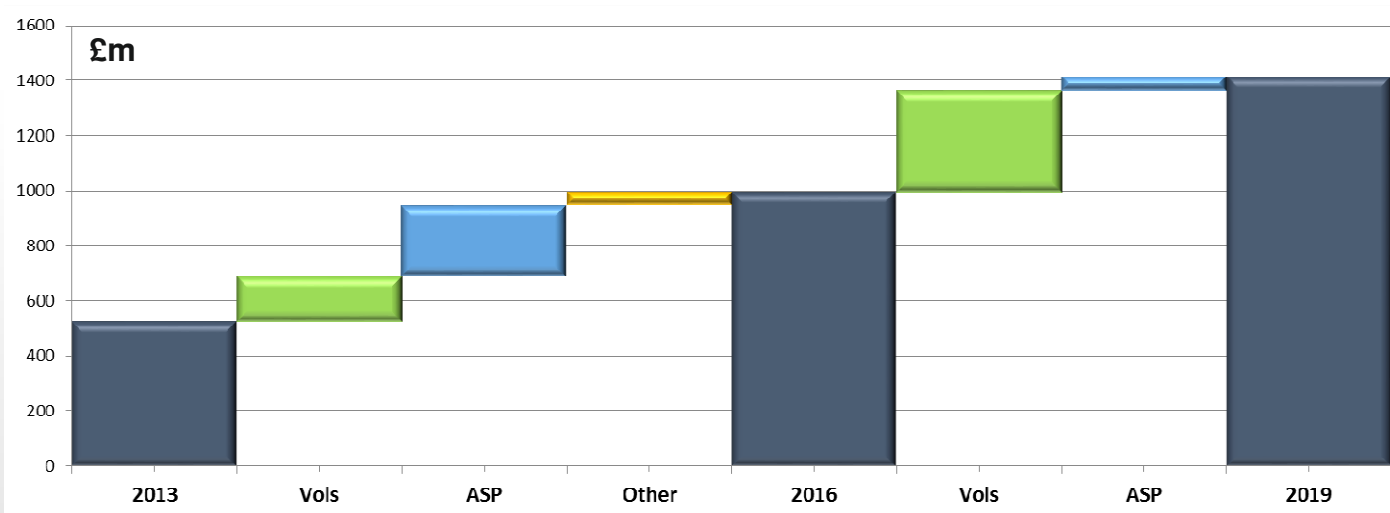
Building for the future



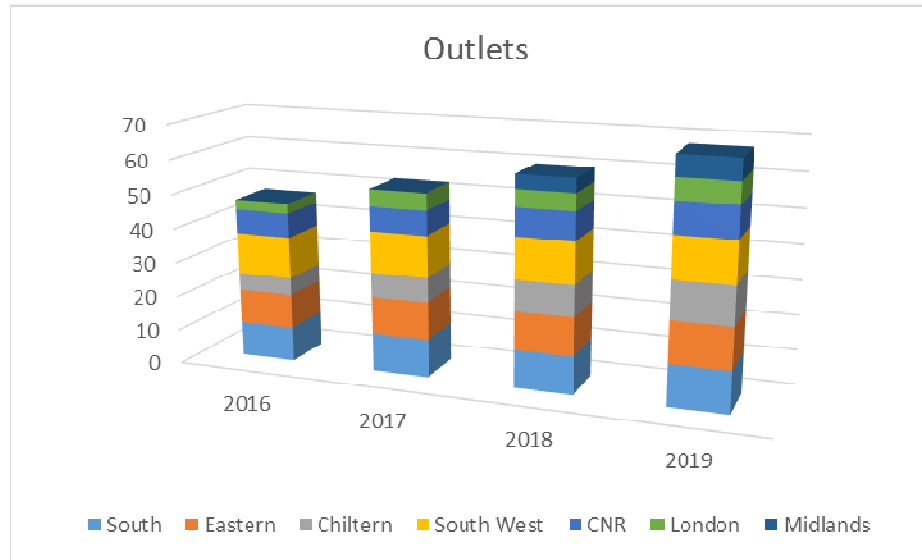
Investing for growth



- 2016 target achieved; re-iterating commitment to 2019 targets of 4,000 homes and £1.4bn Sales
- Having largely repositioned ASPs, growth now primarily volume driven as newer divisions reach capacity and PRS numbers increase
- In addition, a further division is planned for this calendar year, to expand business bandwidth and contribute to the delivery of 2019 volume target



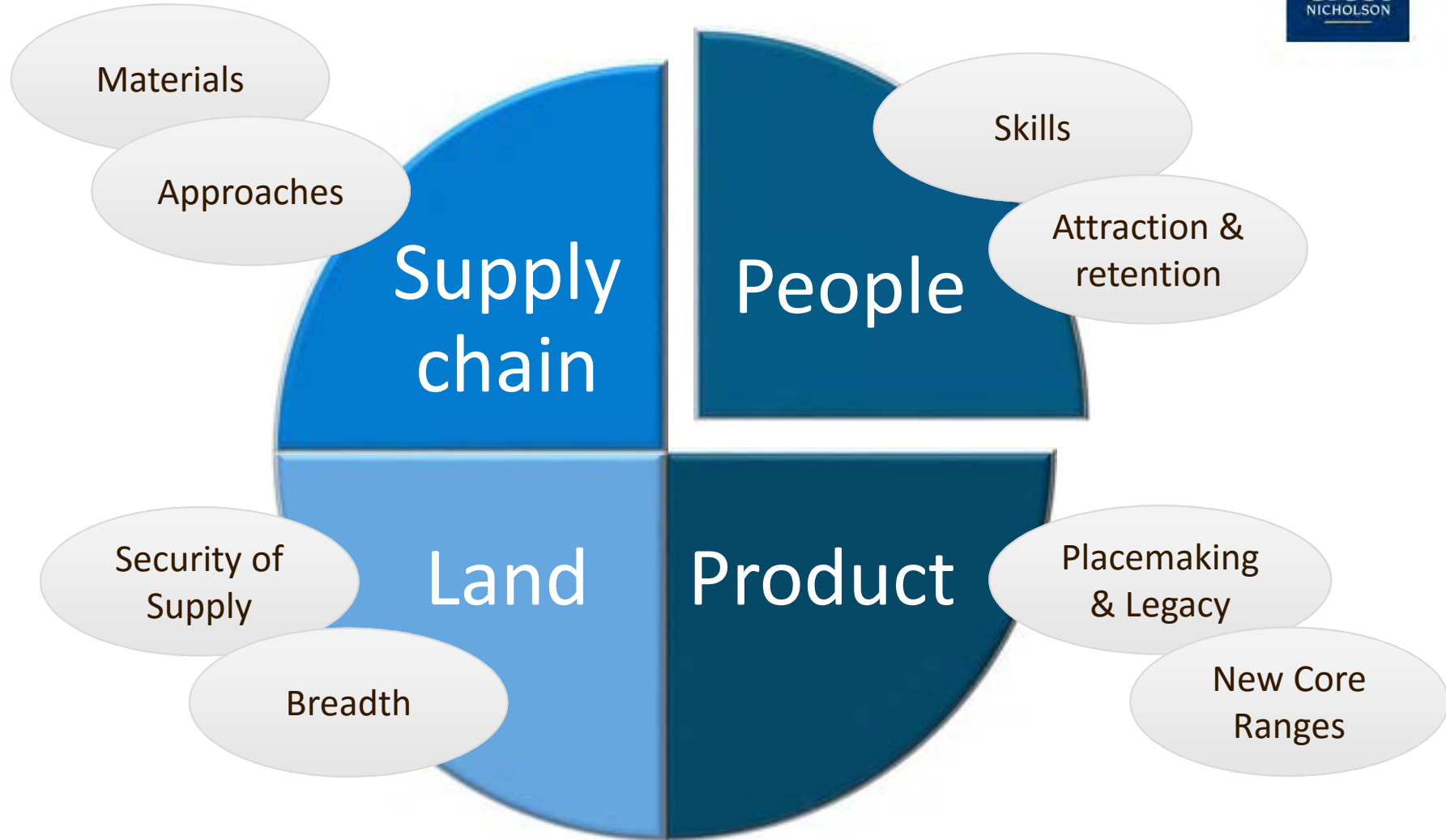
Arithmetic of growth



	2016	2019
SPOW	0.81	0.80
Outlets	47	68
<u>Legal Completions</u>		
OM (inc. net 121 FS in 2016)	2,101	2,829
PRS	191	300
Affordable	578	943
	2,870	4,072

- ▮ Growth through to 2019 primarily volume related, having now reached £400k+ OM ASPs. Lower London ASP offset by product & location mix
- ▮ Sales rate steady at c.0.8, reflecting current market conditions
 - fundamentals of employment & mortgage access remain strong
- ▮ Ongoing growth in London & Chiltern, plus new Midlands division drives outlet growth of 45% in support of 40% overall revenue increase
- ▮ PRS shown at maturity; Affordable at c.25% in line with Portfolio

Key constituents





People & Resources

Talent Management

- ▮ Developing management and site skills in the business a high priority
- ▮ Action on a number of fronts, to grow and develop our own staff and support the supply-chain in delivering growth
- ▮ Opportunities for learning and career progression in a growing Crest business aid attraction and retention; strong culture of internal appointment
- ▮ Talent reviews and succession plans help seed new Divisions
- ▮ New Midlands Board includes a number of Directors returning to Crest Nicholson, now that we are back in Tamworth!



211 promotions in the business since 2014

100+ of our managers have undertaken a Management Excellence Programme

88% of employees have completed appraisals, to identify training and development opportunities

Graduate scheme



- ▮ 35 recruits since 2014 with a further 17 planned for September 2017
- ▮ 90% retention rate in a competitive market
- ▮ JobCrowd winner in 2017:
 - 1st place (out of 40) in Property
 - 4th place (out of 100) across all sectors
- ▮ Structured, rotational programme with personal mentoring and assorted training 'masterclasses' delivered by senior management
- ▮ Small group project provides framework to test all aspects of development skill & knowledge – and introduce the red heat of competition..!!



Apprentices



- ▮ Huge skills replenishment task in construction industry – over **200,000** jobs to fill by 2019
- ▮ Crest Nicholson target is for 10% of all employees to be apprentices – currently at 9%
- ▮ Will have created **200** apprenticeships by 2020
- ▮ Programme covers multiple trades and has now been expanded to include Surveying and Construction Site Management
- ▮ Traditionally sourced from Colleges, but now also attracting school leavers and transfers from other industries to follow career in housebuilding



Site Management Academy



- ▮ 32 recruits since 2015; 12 more planned for 2017 – 200 applications
- ▮ 88% retention rate
- ▮ Last year, 1/3rd intake were former apprentices and 1/4 were female
- ▮ Scheme consists of 2 and 4 year programmes:
 - blend of site & classroom-based learning
 - Leading to CSCS Site Manager card; opportunity to move on to study for Chartered MCIOB status



Industry-leading scheme backed by the Chartered Institute of Building and the Construction Industry Training Board





Land bank structured to support growth and manage risk

27th June 2017



Typical graduate exercise

If a division is to reliably deliver 650 dwellings per annum

How many outlets does it need to be selling from?

How many plots might it need to hold in its consented land bank?

Typical graduate exercise

If a division is to reliably deliver 650 dwellings per annum

How many outlets does it need to be selling from?

Outlet numbers will largely depend upon:

- Unit typology and mix
- ASP/market strength
- Tenure mix (% of affordable housing and BTR)
- Delivery rate and build complexity

Typical graduate exercise

If a division is to reliably deliver 650 dwellings per annum

How many plots might it need to hold in its consented land bank?

Length of land bank needs to consider:

- Planning status
- Future planning conversion risk
- Capital lock up
- Source of land
- Scale of projects
- Embedded macro economic risks
- Capacity to process

Crest's contracted land pipeline



	Apr 2017		Apr 2016		Inc/(Dec) %	
	Units	GDV £m	Units	GDV £m	Units	GDV £m
Short-term housing	17,056	5,661	15,377	5,143	11%	10%
Short-term commercial	-	222	-	248		(10)%
Total short-term	17,056	5,883	15,377	5,391	11%	9%
Strategic land	16,902	5,229	17,820	5,191	(5)%	7%
Total under contract	33,958	11,112	33,197	10,582	2%	5%

- Circa 5.7 years supply at FY17 output level with the same again working through the allocation and planning system
- ASP of £332k/dwelling in short term portfolio & £310k/dw in the Strategic land bank
- Keep as much land as possible depending upon risk and capital lock up

With increased operational capacity



Crest Nicholson Operations

Crest Nicholson Eastern

Crest Nicholson Midlands

Crest Nicholson South

Crest Nicholson South West

Crest Nicholson London

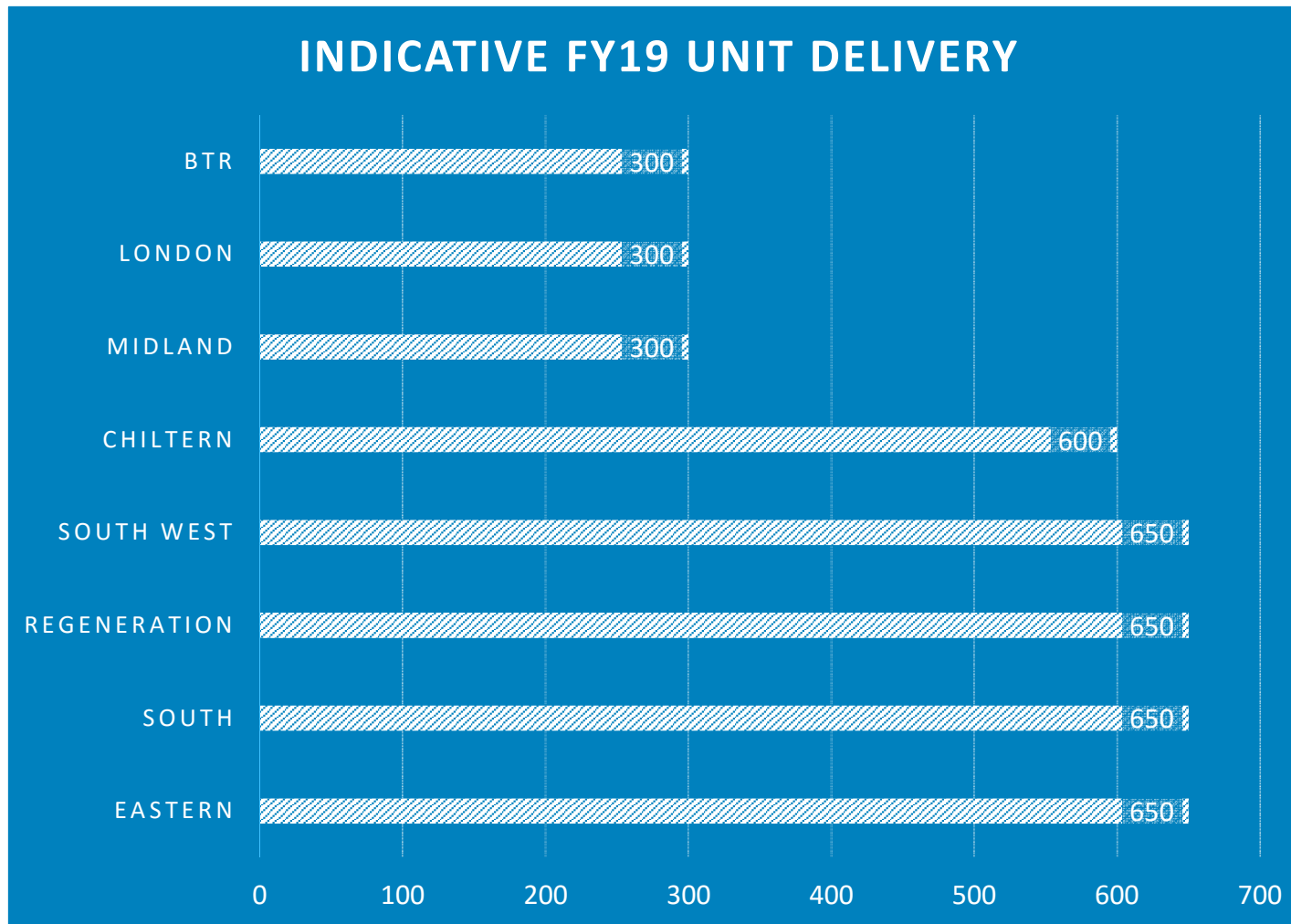
Crest Nicholson Chiltern

Crest Nicholson Regeneration

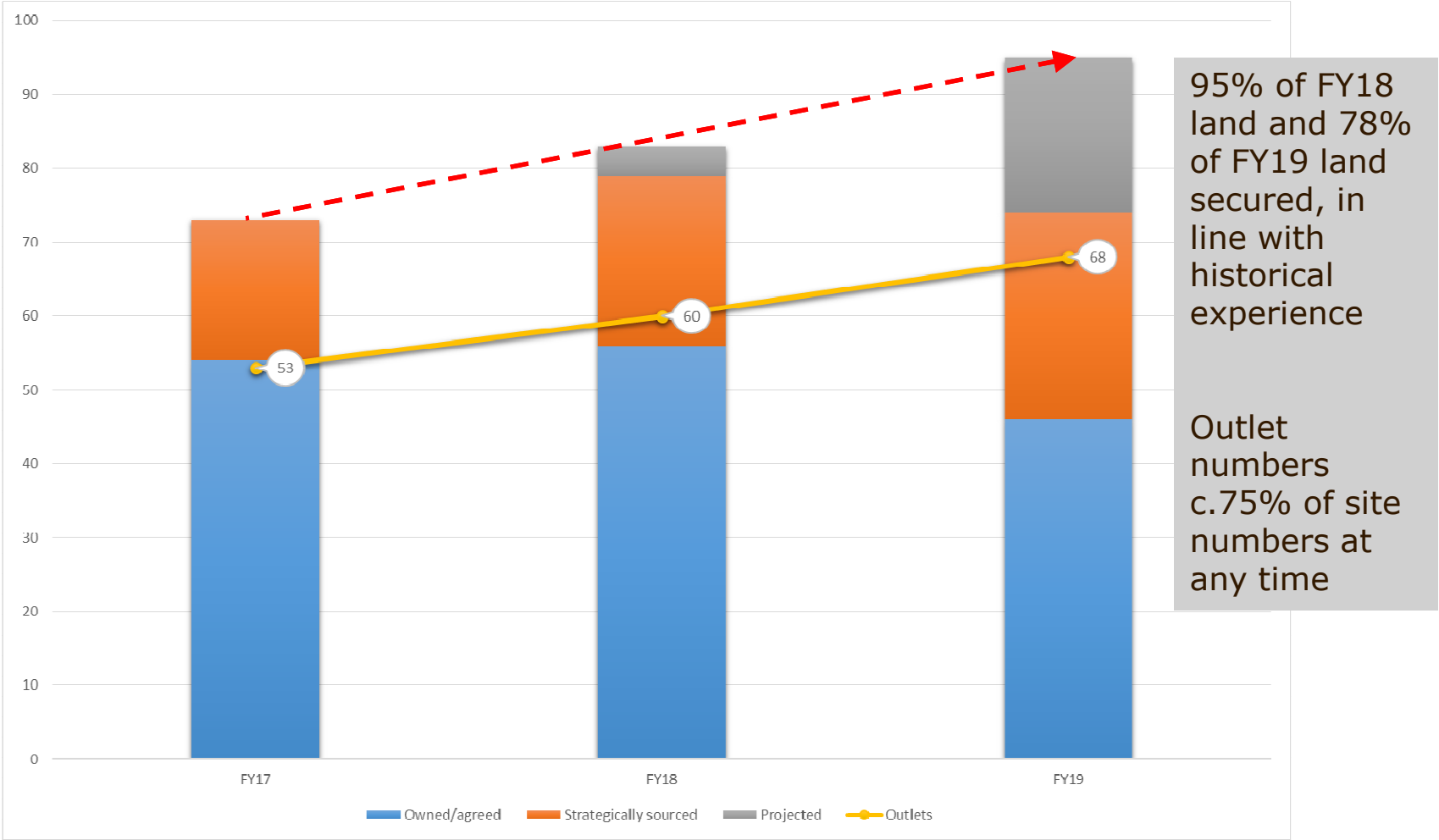
Crest Strategic Projects



Formula to deliver 4,000 units by 2019



Site growth underpins outlet trajectory



In part supported by Strategic land bank

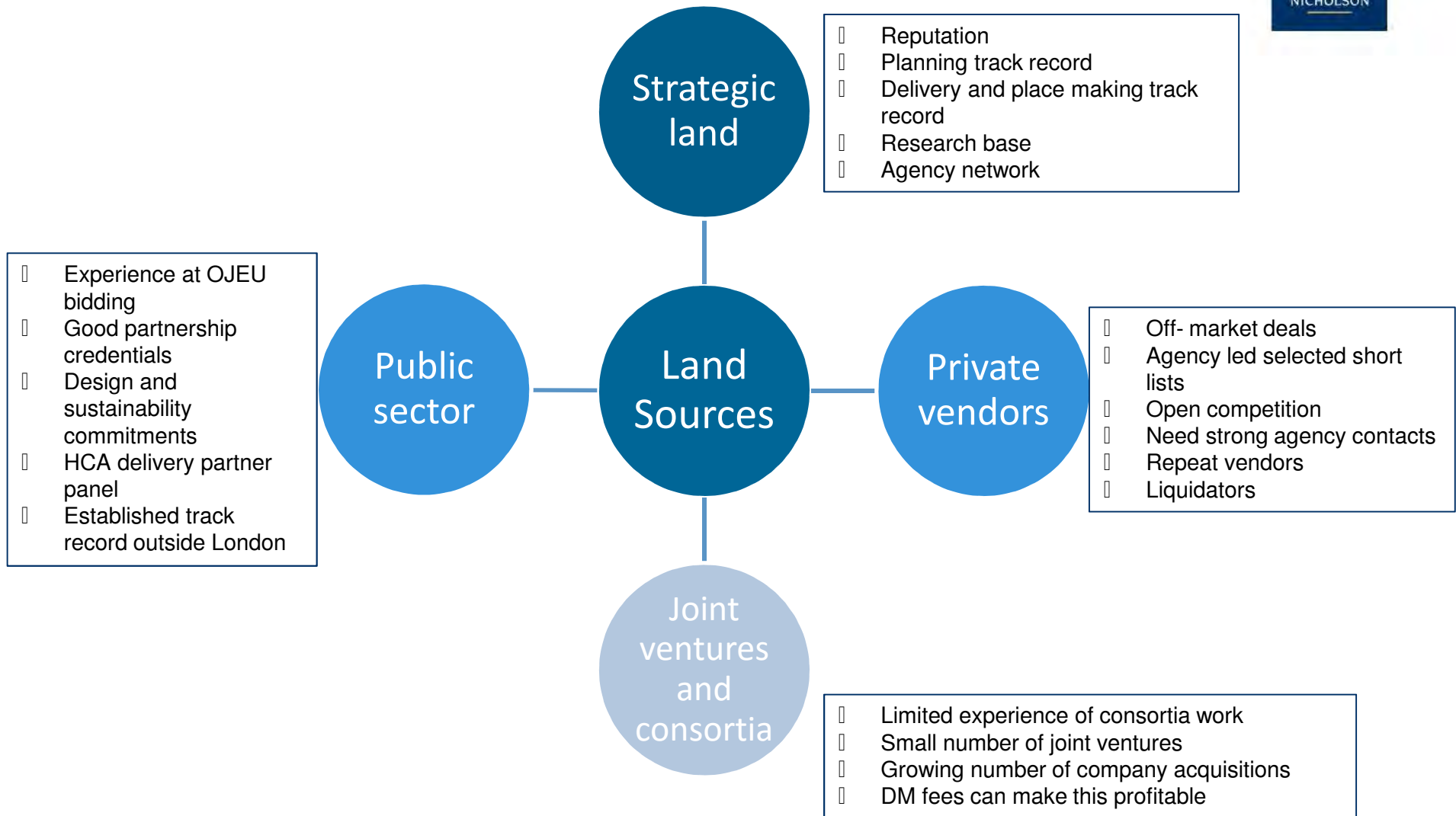
- ▮ 2,140 plots on 5 strategic sites pulled through to short term land bank in last 9 months providing increased short term outlet breadth.
- ▮ 5 sites for a further 2,279 plots subject to existing planning applications
- ▮ 7 further applications for 4,477 plots to be submitted in next 6 months including Longcross South

	No' of sites	No' of Plots	%plots
Consented	2	119	1%
Allocated	5	2331	14%
Draft Allocation	11	5863	35%
Other	21	8589	50%
Total	39	16,902	100%

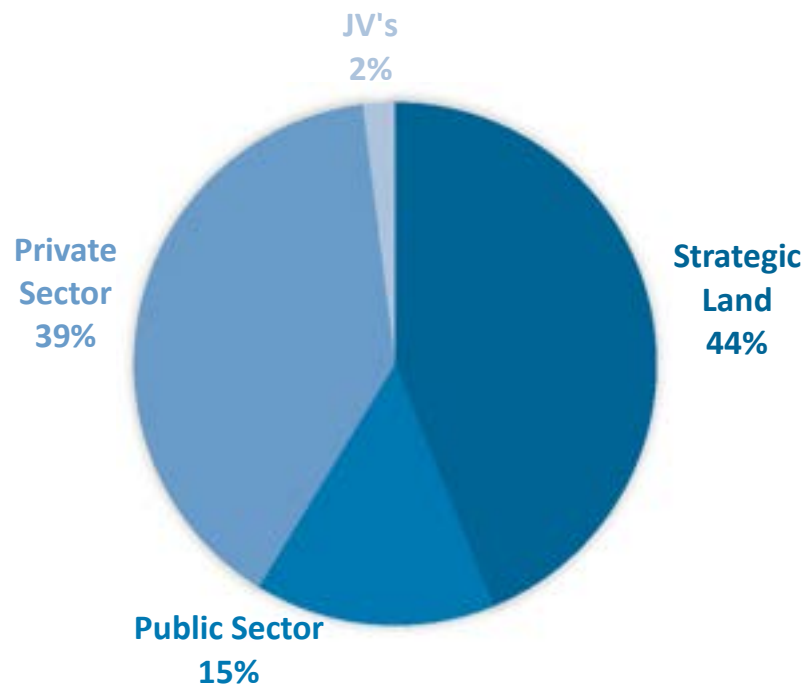


1,400 units in MK subject of draft allocation with outline planning application to be submitted late 2017

Our land sources



Short term Land Bank composition

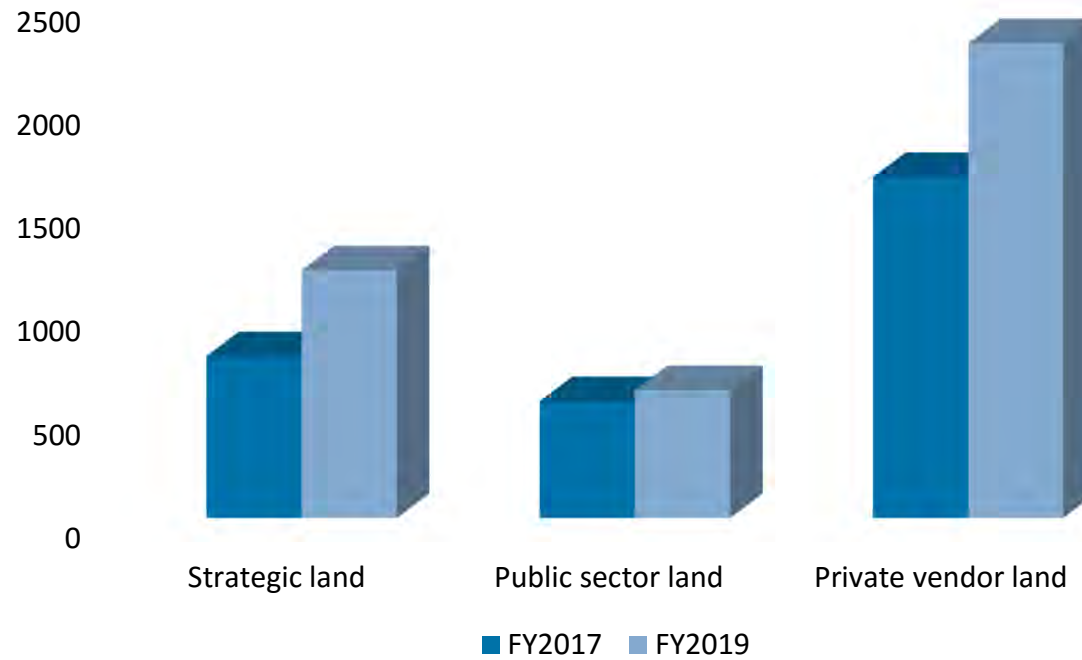


- ▮ Strategically sourced land now 44% of the short term land bank (7,480 plots)
- ▮ Public sector sourced land 14.9% of portfolio (2,537 plots).
- ▮ 6,701 plots (39%) were sourced from private vendors
- ▮ Only 358 plots (2%) are subject to any form of JV which are generally resource depleting.

Growing contribution of unit delivery by source

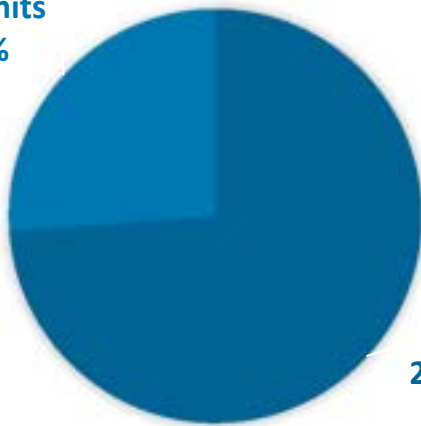


Plot delivery by land source



Short term Land Bank composition

Plots on
Sites <
250 units
26%



Plots on
Sites of
250+ units
74%

- ▮ Increased stability and delivery rates arising from larger average site size
- ▮ London and newer divisions have smaller average site size
- ▮ Strategic land team re-focussed to support newer divisions and secure future backbone sites.

Warwick, allocated for circa 500 dwellings in 2016, will support the new Midlands division

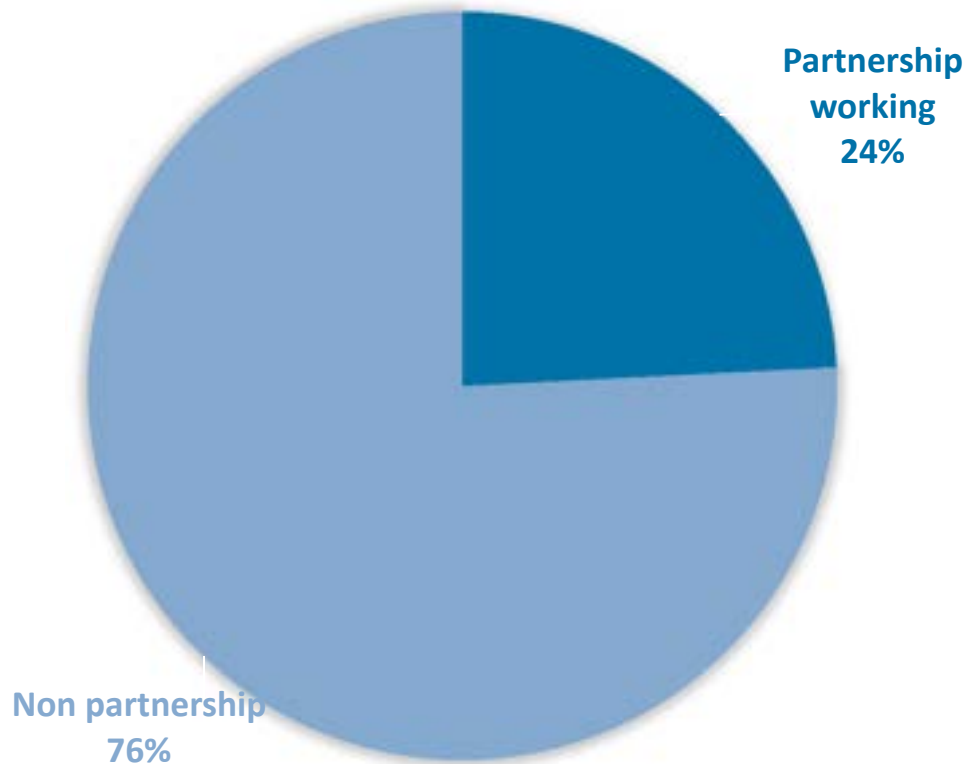


Driving our major projects (>250 dw) hard



Managing risk and reward - partnership

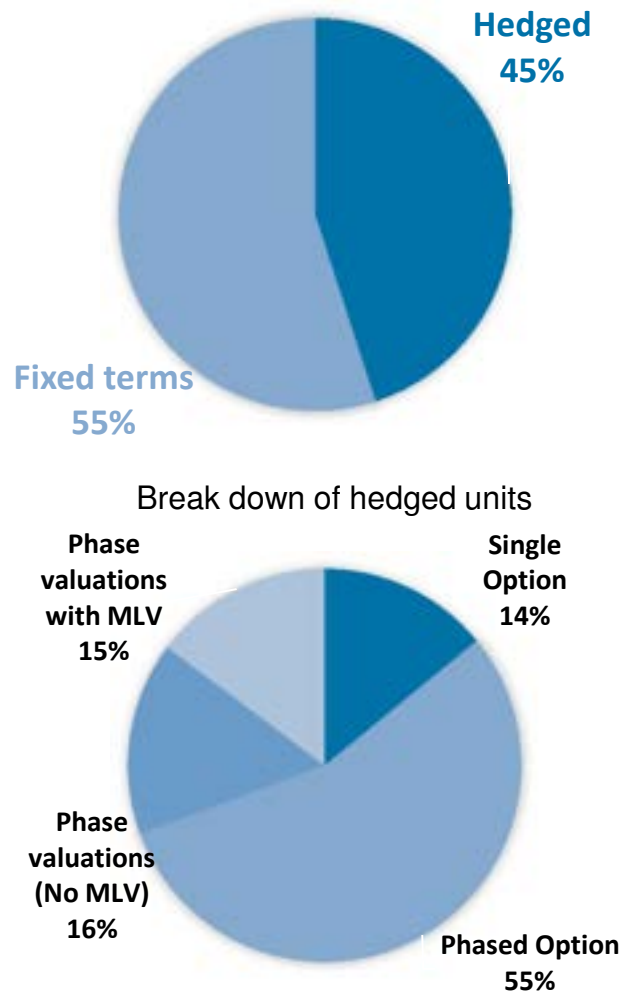
Proportion of portfolio subject to partnership



Typical Partnership Characteristics

- ▮ Shared risk and reward
- ▮ Increased up-front investment in place-making
- ▮ OMV established as land drawn down
- ▮ Deferred land payments
- ▮ Lower GM% v increased ROCE%
- ▮ No Macro-economic risk (subject to any minimum land values)

Managing risk & reward – Basis of valuation



Insulating the Land Bank from Macro- economic risk

- 7,677 plots (45%) are subject to valuation at date of draw down
- Typically options on ex-Strategic land sites
- And tranches of public sector and partnership sites which are subject to valuations upon draw down

Where major projects are acquired outright – circa 3% extra GM would not be untypical

Back to our Divisional portfolios.....



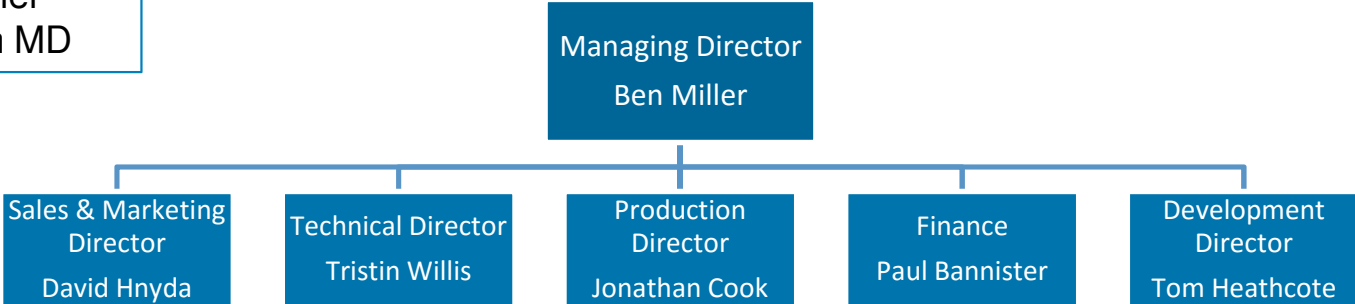
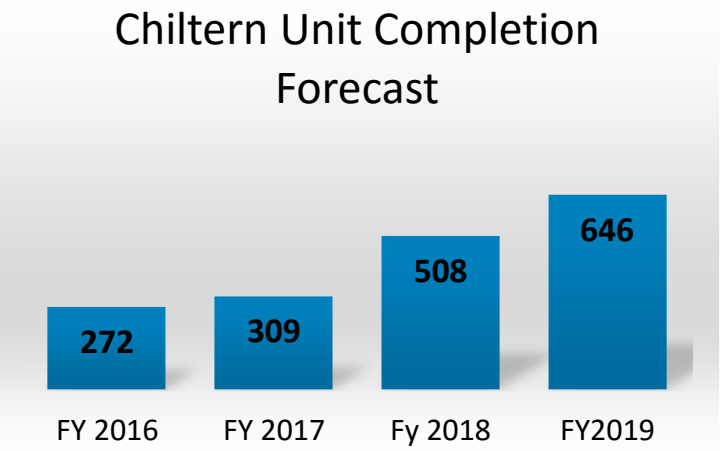
Ben Miller
Chiltern MD

Land Portfolio April 17:

- ▯ 15 Sites/phases
- ▯ 1,468 units
- ▯ Ave site size: 98 units
- ▯ £558m GDV
- ▯ ASP £380k

Further support:

- ▯ Daventry balance: 413 units
- ▯ Allocated strategic sites at MK (1,400), Warwick (529),
- ▯ Further strategic at Harpenden (386) and Carterton (700)



Typical Home Counties Division



John Shellbourne
CN South MD

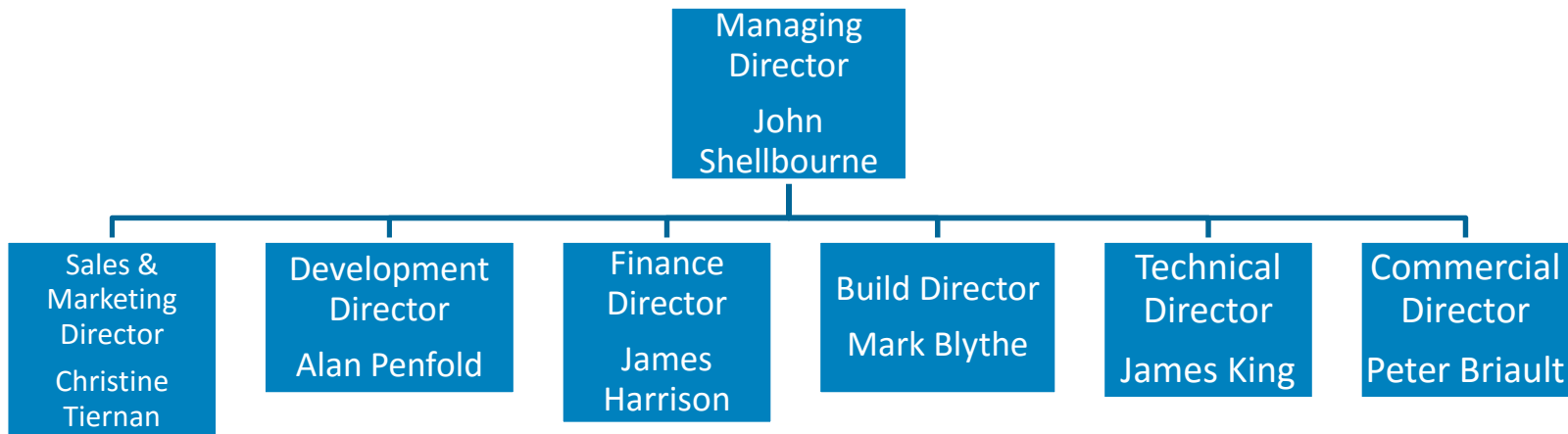
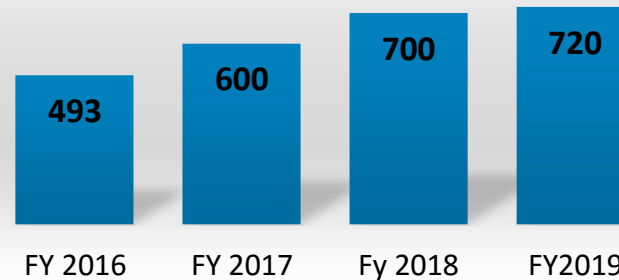
Land Portfolio April 17:

- ▣ 20 Sites/phases
- ▣ 1,458 units
- ▣ Ave site/phase size: 73 units
- ▣ £773m GDV
- ▣ ASP £404k

Further support:

- ▣ Kilnwood balance: 1,350 units
- ▣ Bury Farm: 520 units
- ▣ Horley: 107 units
- ▣ Bishops Waltham: 66 units
- ▣ Lindfield: 40 units
- ▣ Allocated strategic sites: 2 (375)
- ▣ Further strategic sites: 5 (1,807)

South Unit Completion Forecast



South Backbone Site Delivery



Division	Status	Remaining Units	Forecast 5 Year Unit Completion From Backbone Sites				
			2017	2018	2019	2020	2021
Bolnore Village	Owned	105	48	48	9		
Wokingham	Part Option	311	60	65	70	70	70
Kilnwood Vale	Part Option	1,600	130	200	100	100	100
Horley	Owned	350	50	60	70	70	70
Cranleigh	Part Option	250	20	60	70	70	70
Bury Farm	Deferred	520			40	70	80
Arborfield	Partnership	300*	10	50	70	70	70
Longcross South	Owned	300*				20	50
Total Backbone Site Delivery			318	483	429	470	510
Total Division Delivery			600	700	720	700	700
% Backbone Site			53%	69%	60%	67%	73%
* Part only							

Our Regeneration Division



Scott Black
CNR MD

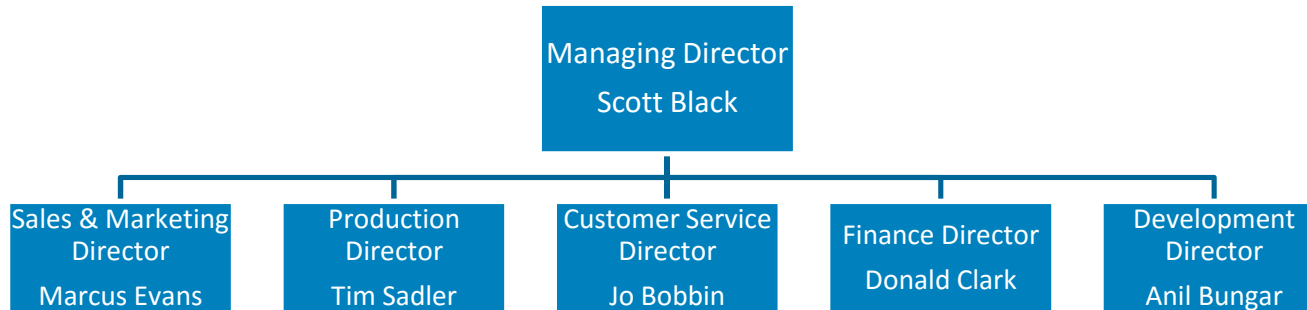
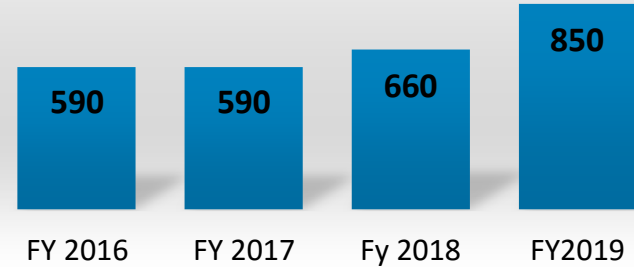
Land Portfolio April 17:

- ▣ 14 Sites/phases
- ▣ 2,993 units
- ▣ Ave site/phase size: 214 units
- ▣ £913m GDV
- ▣ ASP £305k

Further secured support:

- ▣ Longcross Nth: 92 units
- ▣ Longcross Sth: 1,500 units
- ▣ Barkham Sq: 800 units
- ▣ CQ: 700 units
- ▣ Wyton: 2,270 units

Regeneration Unit Completion Forecast inc' PRS



Conclusions



Land pipeline supports managed growth



- At 5.7 yrs supply, we have a sustainable land pipeline supported by a quality strategic land bank of equal size.
- Combined with increased operational capacity – we have the resources to deliver FY19 targets
- Our growth in sites/outlets is coming from strategic land and increased private sector acquisitions
- Our strategy of sourcing and delivering backbone sites:
 - ✓ Is in tune with the desire of LPA's to achieve sustainable outcomes
 - ✓ De-risks our divisions land supply
 - ✓ Facilitates value creation and increased delivery through multiple channels to market
- 24% of our portfolio is delivered in partnership with vendors
- 45% of our portfolio has lower macro-economic exposure with the opportunity to invest up-front in value creation
- These combine to deliver a secure platform for FY19 delivery

Q&A



Disclaimer

You should note that the financial projections and other statements regarding Crest Nicholson's intentions, beliefs or current expectations referred to in this document are forward looking and do not relate solely to historical or current facts.

These statements are provided on a confidential basis and are based on the current expectations of management and are naturally subject to uncertainty and changes in circumstances. In addition, they are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in such financial projections.

These projections and statements are based on financial, economic, market and other conditions, and the information available to the management, at the date of preparation. No liability is assumed by Crest Nicholson or any of its advisers for such projections or statements and no reliance should be placed on such projections or statements.

A PARTNERSHIP WITH THE DEFENCE
INFRASTRUCTURE ORGANISATION:

ARBORFIELD GREEN GARDEN VILLAGE

BERKSHIRE



Crest
NICHOLSON

A new backbone site



Arborfield Green is a brand new Garden Village for Berkshire on the former 412 acre Arborfield Garrison site, located just to the south of Wokingham in leafy Berkshire. Previously home to the Remount Depot and Horse Infirmary Hospital until the 1920's, and then the Royal Electrical and Mechanical Engineers (REME) some 20 years later who have progressively vacated the site over the last few years.



**Arborfield
Green** BERKSHIRE
— A NEW GARDEN VILLAGE —

Crest Nicholson Regeneration was appointed to the role of Development Manager on behalf of landowner, the Defence Infrastructure Organisation (DIO) in 2013, following a competitive selection process under OJEU procurement regulations. Crest Nicholson is tasked with maximising long term value on behalf of the DIO and managing delivery of the social and physical infrastructure whilst also having the opportunity to develop the district centre and half the site as house builder. The remaining half of the residential land will be disposed of on the open market to other delivery partners.

Outline consent for the new Garden Village community was granted in April 2015, for up to 2000 new homes as well as new schools, community facilities and supporting public realm and open spaces which seek to safeguard some of the key military history. The consented scheme will also include 38.4ha of suitable alternative natural green space in the form of two large country parks. The masterplan also embraces the existing landscape features including the existing garrison lake and mature trees to create a new green and blue grid which underpins the development framework.

As long term custodian, Crest Nicholson is responsible for delivering the overarching vision on behalf of DIO, including delivery of significant upfront infrastructure and early placemaking and scene setting. This early investment has allowed early opening of the new Bohunt Secondary School as well as Hazebrook Meadow, and new strategic highway links on site.

The development will provide a high value backbone site to Crest Nicholson Regeneration, who will also have the opportunity to deliver up to 400 build to rent units and Crest Nicholson's Southern housing division.



ACQUISITION



Site size: 167ha (412 acres) Total GDV: circa £700m

The Development Management Agreement (DMA) signed with the DIO in 2013 enables Crest Nicholson to identify half the site for direct development and to acquire at market value.

As well as being able to deliver out half the site, Crest Nicholson receive a development management fee of £400k per annum for the duration of the development as well as a 9% gain share on any surplus proceeds generated after the cost of infrastructure and S106 costs have been deducted from the total land sale receipts.

To date Crest Nicholson has acquired land to deliver the first 463 of our general entitlement with works having commenced on three outlets.

In addition Crest Nicholson also has the opportunity to deliver up to 400 build to rent units at Arborfield Green with the first acquisition and commencement of delivery scheduled for early 2018.

As Development Manager, Crest Nicholson manage the external disposals of serviced parcels of land on behalf of the DIO, with the first third party land sale to Redrow having taken place in October 2016, delivering an early receipt for the partnership to help offset the upfront infrastructure costs.

Crest Nicholson are also tasked to deliver temporary income at Arborfield Green, and have the ability to generate significant rental proceeds through the establishment of a similar filming operation as at our successful Longcross Studios.

PLANNING AND VISION



Arborfield Garrison was identified as one of four Strategic Development Locations (SDLs) in Wokingham Borough Council's (WBC) Core Strategy, adopted in 2010, to deliver a total of 3500 units. The southern half of the allocation comprises 1500 units, with the northern half of the SDL (Arborfield Green) delivering the remaining 2000.

Following the appointment as Development Manager in April 2013, Crest Nicholson undertook extensive technical survey work and masterplan consultation and optimisation, before submitting a new Outline Planning Application to WBC in October 2014.

Consent for the Outline masterplan was granted in April 2015. The scheme comprises up to 2000 units with the potential for 80 extra care units, new schools, a new district centre, open space and sports facilities as well as other community facilities.

Following appointment, a programme of public engagement and consultation was formulated to brief the local community. There is a complex political environment in the local area which requires close management and regular briefing sessions for council members and key stakeholders.

Arborfield Green will follow the design and community philosophies of the Garden City Movement, however tailored not to city or suburban planning but to a more rural village scale and character. The Garden Village masterplan is landscape led, to retain and enhance the existing mature landscape maximising access to open space and parks through a network of green links threaded throughout the scheme.

To date, a total of 463 units have received detailed planning consent, with applications for a further phase of housing for sale and the first 114 build to rent units to be submitted shortly.

The Arborfield Film Studios obtained temporary planning consent in February 2017 for a period of up to 9 years, providing a revenue stream from the former military buildings on Hazebrook Barracks.



DELIVERY HIGHLIGHTS

Of the 2000 dwellings Crest Nicholson will deliver circa 1000 dwellings for sale and up to an additional 400 build to rent units. Crest Nicholson will also deliver all the placemaking and social and physical infrastructure required to create the Garden Village.

A detailed land trading model is managed by the project team and allows for careful management of WIP and revenue for the project to offset investment in infrastructure and S106 contributions. The DIO only receives its share of the land sale proceeds after the development account goes into the black.

Crest Nicholson Regeneration (CNR) started on site in January 2016 with Waterman's View and delivered its first completions in October 2016. CNR's second phase commenced in February 2017 and includes the OSM trial houses.

Crest Nicholson's Southern division commenced delivery in early 2017 with first completions anticipated in Sept 2017.

In total Crest Nicholson will complete around 120 dwellings in FY17, rising to 142 in FY19.

Bohunt School Wokingham was opened in temporary existing military facilities, following early investment and upfront enabling. The £27m brand new secondary school facilities will be open in September 2017.

Hazebrook Meadow, a new country park of 14.41ha, with a varied landscape including areas of woodland, opened to the public in October 2016. Numerous aspects of infrastructure are consented and being delivered on site to ensure early placemaking and upgrades to further help establish the Arborfield Green brand, including the new Nine Mile Ride Extension.



WATERMAN'S VIEW

Comprising 113 dwellings in a mix of 1 bed apartments to 5 bed houses, Waterman's View commenced delivery in early 2016 and has achieved an open market sales rate of approximately 7 dwellings per month in 2017.



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The homes on Waterman's View are set in an attractive landscaped setting next to Hazebrook Meadow, with a number of homes also benefiting from the lakeside location. A contemporary architectural style has been adopted, whilst the homes themselves provide good family accommodation with modern open plan layouts.

20% of the homes are affordable homes being delivered in partnership with Catalyst.

The prices at Waterman's View are:

£240,000 for a 1 bed apartment

£320,000 for a 2 bed apartment

£360,000 for a 2 bed home

£470,000 – £545,000 for a 3 bed home

£585,000 – £700,000 for a 4 bed home

£800,000 – £830,000 for a 5 bed home

To date 62% of purchasers have bought through the Help to Buy initiative. As the number of sales outlets increase, product differentiation is critical to support the maximum possible sales rate across the site as a whole. This is managed through the design process to ensure varied densities and unit mix of units across the site.

As Development Manager, Crest Nicholson are able to exercise an element of control through design codes and approval of planning applications.



A JOINT VENTURE WITH AVIVA INVESTORS:

LONGCROSS GARDEN VILLAGE

SURREY

A new backbone site



Longcross is the 300 acre former Defence Evaluation and Research Agency site abutting Wentworth Golf Course and straddling the M3 near Chobham. The site, which sits in the greenbelt neighbouring Chobham Common, was first constructed during and immediately after the Second World War as a major research and development facility for the advancement and testing of British armour and armoured vehicles.

The site was acquired in 2005 in conjunction with Aviva and is held within a 50/50% JV. Pending redevelopment, it has been let for filming and other temporary uses netting circa £4.5m per annum rental income.

Longcross Garden Village offers a unique opportunity to create a new 'Surrey Village'. As well as delivering 1,700 much needed houses, it will also encompass a new business park and/or renewed filming facilities capable of supporting up to 5,000 employees. It will also deliver local services and facilities on site which will make the village highly sustainable, including a primary school, walkable local shops, community facilities and leisure provision together with a new 80 acre country park.

Planning permission has already been granted for the Northern site including Longcross Park, comprising nearly 90,000m² of mixed commercial development and Upper Longcross, the first 200 homes which launched in May of this year.

The Southern site is a draft allocation within the emerging Local Plan which should be adopted in 2018.

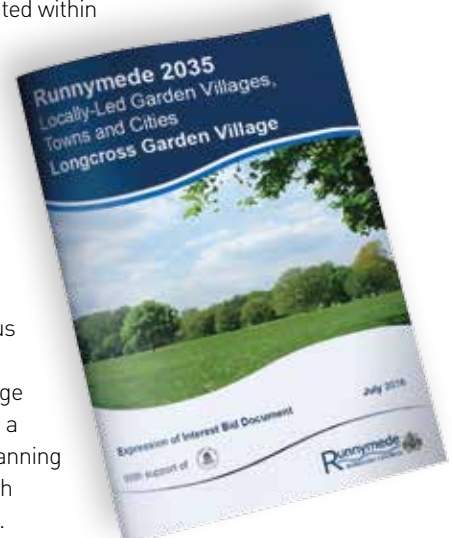
Separately, on 1st April 2017, Longcross Park, the commercial element of the proposed development, was formally designated an Enterprise Zone, in conjunction with two other M3 sites at

Basing View, Basingstoke and Whitehill Enterprise M3 Local Enterprise Partnership and Runnymede Borough Council to invest in key advance infrastructure, borrowed against future increases in business rates.

The site has excellent transport connections to London and Heathrow/Gatwick airports including a direct rail link at Longcross Holt, a station situated within the site on the Reading to Waterloo line.

The development will provide a high value backbone site to both the Crest Nicholson Regeneration team and the Southern housing division.

In January 2017 the site was conferred Garden Village Status by the Government under its DCLG Locally-led Garden Village initiative. This was pursuant to a joint application by the local planning authority Runnymede Borough Council and the Joint Venture.



ACQUISITION



Site size: 122ha (300 acres) Total GDV: circa £1bn

The Group entered into a 50/50 joint venture with Aviva in 2003 and purchased the freehold of the site in 2005 on deferred terms with a two year leaseback to DERA. The JV has no further planning or financial obligations to DERA.

The site has approximately 113,400m² of former research and development facilities which are predominantly situated on the Northern 111 acre site and are currently being used extensively for filming and related short term uses.

The Southern site, comprising 199 acres of vehicle test facilities set within a mature woodland, is also extensively used for vehicle testing and filming.



PLANNING AND VISION



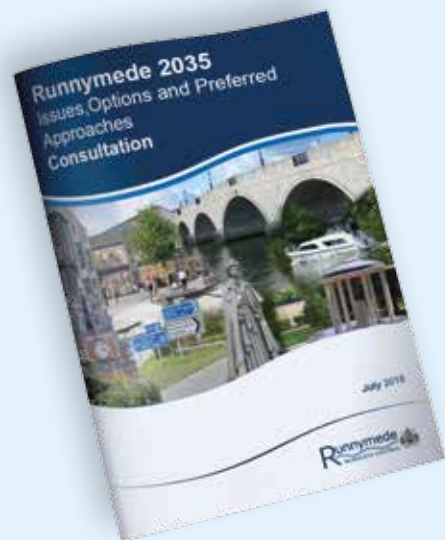
The whole site has for many years been designated as “a major development site in the greenbelt”.

The site was subsequently identified within the South East Plan for the development of over 2,000 dwellings and some 60,000m² office development. It has now been designated by DCLG as one of the county's first 14 Locally-led Garden Villages to deliver employment for circa 5,000 employees and circa 1,700 dwellings. This provides capacity funding to the planning authority to scale up its planning team to handle the project.

The Northern site was granted outline planning permission for just over 80,000m² of B1 offices and the first 200 dwellings in 2014. A Judicial Challenge of the permission was launched soon after and dismissed some 18 months later. Development commenced in 2016.

Detailed planning permission has been granted for key infrastructure and the first 200 dwellings. Both are well underway with the first homes having been launched for sale in May 2017. Further applications are to be submitted to deliver an increased number of apartments near the train station on the Northern site.

The Southern site is currently a draft allocation for 1,500 dwellings within Runnymede Borough Council's emerging Local Plan. It is anticipated that this plan will be formally adopted in late spring 2018 and an outline planning application for 1,500 dwellings and related primary school and local centre is to be submitted in October of this year.



DELIVERY HIGHLIGHTS

Within the JV Crest Nicholson has a right of pre-emption in respect of any consented residential development. Aviva retain the right of pre-emption to fund the office development which would be delivered by Crest Nicholson on behalf of the JV.

The first residential completions will occur in FY 2017 on the Northern site and FY 19/20 on the Southern site. Commercial development and/or an expansion of the filming activity is anticipated to commence in 2019.

The site is being promoted and delivered by Crest Nicholson Regeneration who receive development management fees from the JV, they will deliver the business space in conjunction with Aviva and the majority of the residential development. The Southern division will also deliver elements of the Southern site residential.

It is anticipated that overall the residential development will comprise circa 1,100 open market units, 400 affordable homes and 200 apartments to be sold into the build to rent market.

With a total potential GDV to Crest of between £750-£900m, it will be a significant value driver in the years to come.



UPPER LONGCROSS

Launched in May 2017, the first phase of Upper Longcross comprises 108 dwellings ranging from 1 to 5 bedroom homes.

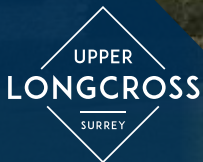
The houses are designed to a very high specification with contemporary open plan internal layouts. The elevations are a modern take on a traditional Surrey vernacular and have been exceptionally well received by the public.

The prices range from £475k for a 2 bed to £1.16m for the larger 5 bed homes.

It is anticipated that the next 92 dwellings in phase 2 will commence in the spring of 2018.



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LONGCROSS PARK

The extensive existing commercial buildings at Longcross are already fully let for filming and supporting activities such as animation, costume, make-up etc. They comprise several principle studios, various workshops and significant offices and backlots.

Filming over recent years has included Skyfall, Clash of the Titans, Hugo and Murder on the Orient Express by Sir Kenneth Branagh, has just concluded. Business plans have been evolved which examine the potential to invest further in these exciting and profitable facilities, additionally discussions are ongoing about the potential to create a digital and creative arts hub on the site.

The current Outline Planning Permission also provides for the delivery of a new 80,000m² office park. We have numerous ongoing enquiries and are also in discussion with various partners concerning the phased delivery of the business park over the next 10 years.

Both strategies are supported by the EM3 LEP and Runnymede Borough Council, which together, under the Enterprise Zone status, retain the ability to pre-invest significantly in the early years site wide infrastructure works secured against future growth in business rates revenues.

