

Crest Nicholson Holdings plc
(the 'Group' or 'Crest Nicholson')

IMPROVING SALES RATE
AVERAGE SELLING PRICES HOLDING FIRM
STRONG BALANCE SHEET MAINTAINED

Crest Nicholson Holdings plc is holding its Annual General Meeting ('AGM') at 11.30 a.m. today. This trading update is for the period from 1 November 2022 to 20 March 2023. The Company's FY23 year end is on 31 October 2023.

Trading update

The Group has delivered a SPOW¹ rate at 0.52 for the last eleven weeks from the start of the calendar year. This improvement versus the eleven-week SPOW rate from 1 November 2022 at 0.35, as reported at our Preliminary Results in January 2023, reflects the ongoing and steady recovery in overall consumer confidence and housing market activity since the start of the year. The most likely economic scenario we articulated back in January continues to be realised as average selling prices have remained robust with an enduring lack of housing supply. The market is clearly softer than the previous two years of trading, however it remains resilient.

Mortgage rates have progressively reduced as the outlook for future interest rate rises and general economic stability have both become more favourable since the start of our trading year. In addition, lower transaction volumes have intensified competition for new mortgage business and led to increasingly competitive rates for those buyers with higher levels of equity, which in turn is giving them confidence to move home. This is being reflected in our lead indicators. However, those with lower levels of equity are unsurprisingly finding it harder to purchase their first home and making it onto the housing ladder. Support for these potential buyers, in a higher interest rate environment, is going to be necessary if we are to see a full recovery in the housing market.

Build cost inflation remains a challenge for housebuilders. Since the start of the year, we have seen subcontractors starting to anticipate a lower level of build activity which is now being reflected in a greater competitive intensity for work and pricing. Raw materials pricing is a more mixed picture with some categories continuing to experience price increases while others are starting to fall. We continue to expect that the overall basket of high single-digit percentage build cost inflation will recede during 2023.

On 13 March 2023 the Group announced it had signed the Developer Remediation Contract which formalises its responsibilities to identify and remediate those buildings with potential safety risks. At 31 October 2022 the Group held a provision of £140.8m in respect of its remediation obligations and remains confident that this is the best estimate of its expected future costs at this time. We will provide a further update on the progress we are making in this area at our half year results.

While the economic outlook remains uncertain the housing market has continued to demonstrate its relative resilience. The Board remains confident in Crest Nicholson's ability to create value through the development of its attractive land portfolio and its plans to expand into new regions, which is on track and progressing well. The housing market fundamentals remain strong and the Group continues to benefit from a strong balance sheet which gives it flexibility to trade in tougher market conditions.

The Group expects to announce its half year results for the six months ending 30 April 2023 on 8 June 2023 and will provide an update on its progress at this time.

AGM

The Group will be holding its AGM today at 11.30 a.m. at the Group's Head Office: Crest House, Pycroft Road, Chertsey, Surrey KT16 9GN.

1.Sales per outlet per week

For further information, please contact:

Crest Nicholson

Jenny Matthews, Head of Investor Relations +44 (0) 7557 842720

Teneo

James Macey White / Giles Kernick +44 (0) 20 7353 4200

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