

Analytics Report Site Appraisal Report

3 Nov 2020



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.

About NHBC

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.

NHBC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. NHBC is registered in England and Wales under company number 00320784. NHBC's registered address is NHBC House, Davy Avenue, Knowlhill, Milton Keynes, MK5 8FP.

Important notice

Use of this Site Appraisal Report is subject to the Terms and Conditions of the Licence under which it was provided, which specifically limit its use to the party that originally ordered it. Acceptance of the Terms and Conditions was confirmed when the report was ordered. A copy of these terms and conditions is available at www.hometrack.co.uk. The contents of the Site Appraisal Report are protected by copyright. You may not modify, copy, reproduce, republish or distribute, by any means or in any manner the Site Appraisal Report or any part thereof. Information contained within this Site Appraisal Report is provided on an "as is" basis and is for general purposes and guidance only. The recipient acknowledges that the Site Appraisal Report is provided without the benefit of inspection of any sites or properties. The nature of the information sources used to compile this document are such that they will not be free from errors and information compiled on an historic basis will have aged by the time of its inclusion. Neither NHBC nor Hometrack warrant that a Site Appraisal Report will be suitable for any particular purpose, even if a particular intended purpose has been made known by you to NHBC or Hometrack. It is the recipient's sole responsibility to assess the accuracy, completeness, usefulness, suitability and fitness for purpose of all information and data provided within the Site Appraisal Report. Users are advised to seek appropriate independent professional advice and to seek independent verification of the accuracy and completeness of each relevant item of information contained within a Site Appraisal Report before making any decisions based on that information. To the fullest extent permissible by applicable law, other than as expressly set out in the Terms and Conditions, neither NHBC nor Hometrack make any express or implied warranties, representations or endorsements whatsoever with regard to the Site Appraisal Report.

	Page
Executive Summary	4
Section 1 - The new development market	6
Section 2 - Pricing levels and transaction volumes	13
Section 3 - Demographics, affordability and key services	17

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 CH7 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 4.4 mile radius of the site. These schemes average 49 units and contain a total of 486 units.
- 51% of the units on these schemes are completed¹ and 45% (221) are currently under construction.
- Construction has started on 69 units in the last 6 months (of which 100% are houses and 0% flats). There are a further 18 units yet to be started.
- The average price of units under construction is £277,000.
- The most common type of property under construction are houses (97%) followed by flats (3%).

Pricing of housing across the local market area

- Across the local market area median £psf values are £158 for flats and £169 for houses.
- Upper quartile prices are £181psf for flats and £199psf for houses.
- Average prices across the local market area range from £121,000 for 2 bed flats to £191,000 for 3 bed houses and £308,000 for 4 bed houses.

Demand, affordability and rental market

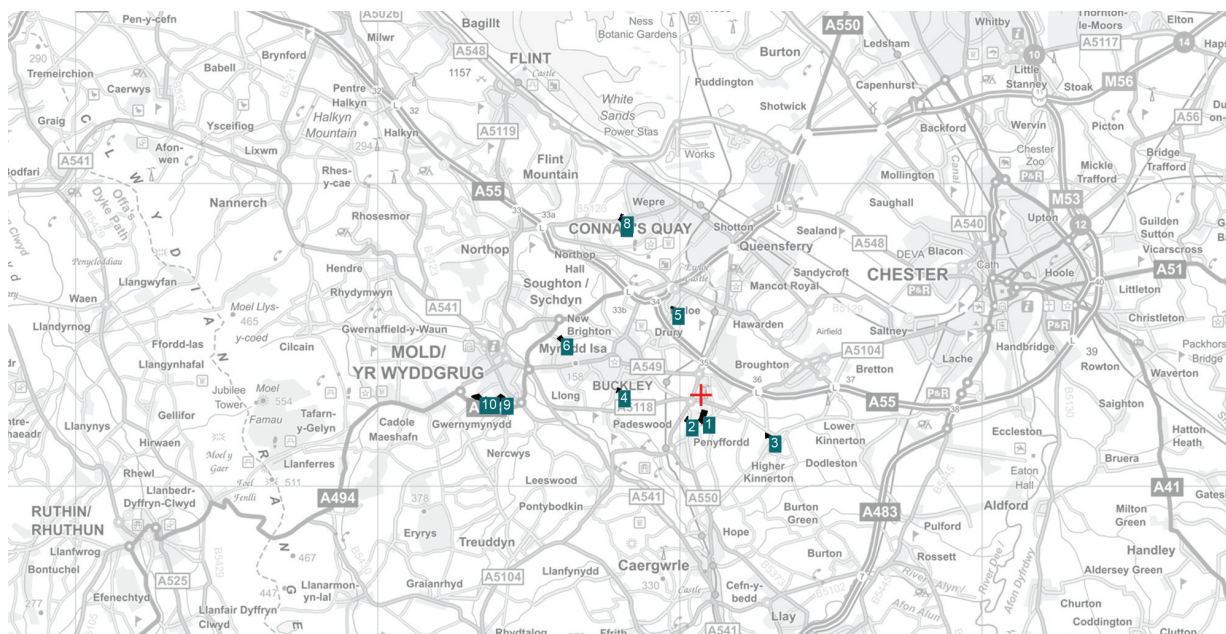
- There are 50,078 households within the local market area. 21,649 of these households are categorised as Comfortable Communities with a further 13,588 categorised as Affluent Achievers. The most common groups in these two categories are Countryside Communities (17% of total) and Executive Wealth (16% of total) respectively.
- Average household incomes in the catchment are £41,000. A household buying with a 3.5x income mortgage at 70% LTV could afford to pay £205,000.
- The unemployment rate (claimant count) in Sir y Flint - Flintshire is 0.6% compared to 0.6% six months ago.
- The average weekly rental is £136 per week and the cost of a buying with an 85% mortgage £123 per week. The average gross yield is 5.8% 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 Chester Road	REDROW HOMES LTD
2	Land Adjacent to Hawarden Road	MACBRYDE HOMES LTD
3	Off, Kinnerton Lane	ELAN HOMES HOLDINGS LTD
4	Padeswood Road South	F G WHITLEY & SONS CO LTD
5	Land East of 59 Wood Lane	EDWARDS HOMES LTD
6	Llys Gwynant	MACBRYDE HOMES LTD
7	Broad Oak Holding	EDWARDS HOMES LTD
8	L/O Fair Oaks Drive	DAVIES DEVELOPMENTS
9	Former Broncoed Works Site	F G WHITLEY & SONS CO LTD
10	Maes Gwern	WATES CONSTRUCTION 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)	0.3 - 1.8	3.0 - 4.4	0.3 - 4.4
Size range (units)	21 - 72	30 - 101	21 - 101
Average size	40	56	48
Total units (all tenures)	202	284	486
Affordable Housing Units	0	26	26
Private Housing Units	202	258	460
Composition			
% flats - % houses	0% - 100%	6% - 94%	4% - 96%
% affordable housing	0%	9%	5%
Progress (private units)			
Completions to date (% total)	39%	20%	28%
Completions last 6 months	15	6	21
Being built or yet to start	123	207	330
Starts in the last 6 months	37	32	69
Mix of starts (% flats / % houses)	0% - 100%	0% - 100%	0% - 100%
Proposed Pricing			
Median price	£295,000	£230,000	£255,000
Median house price	£295,000	£234,000	£262,000
Median flat price	n/a	£147,000	£147,000

Source: NHBC

1.3 Status of new development schemes

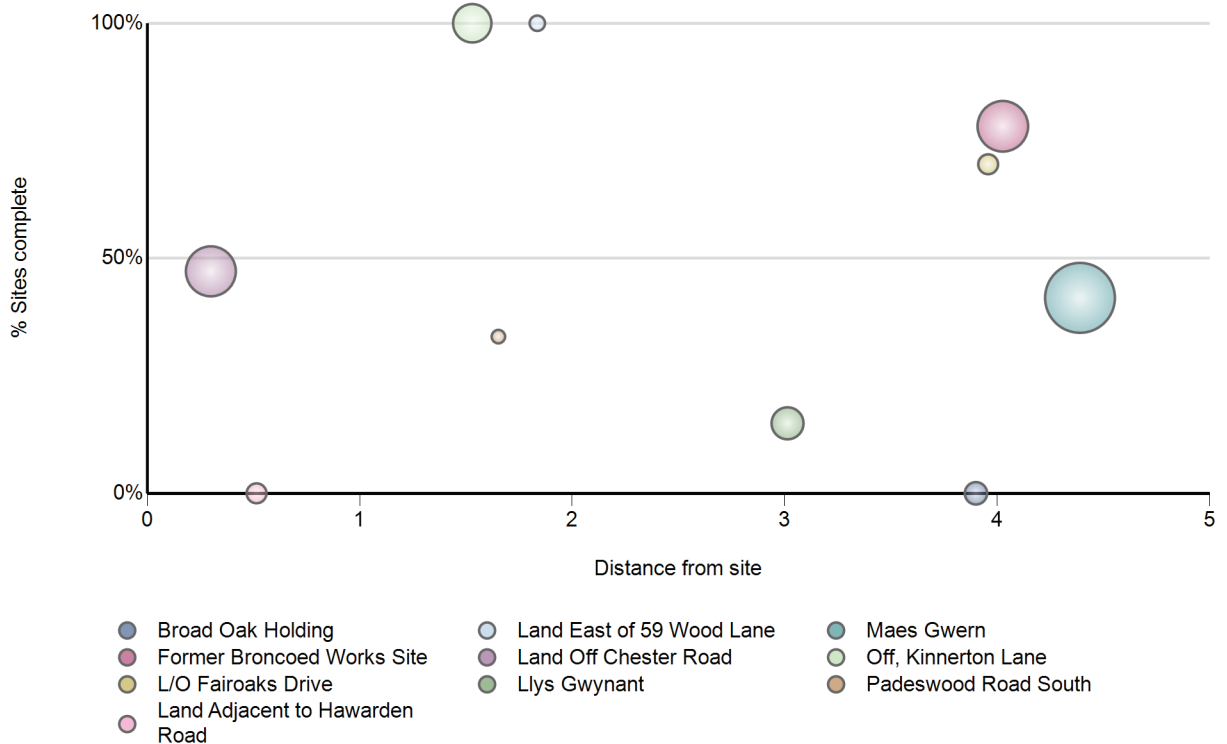
The selected schemes are at different stages of the sales and development process. Figure 2 below provides an overview of all the selected schemes according to:

- 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

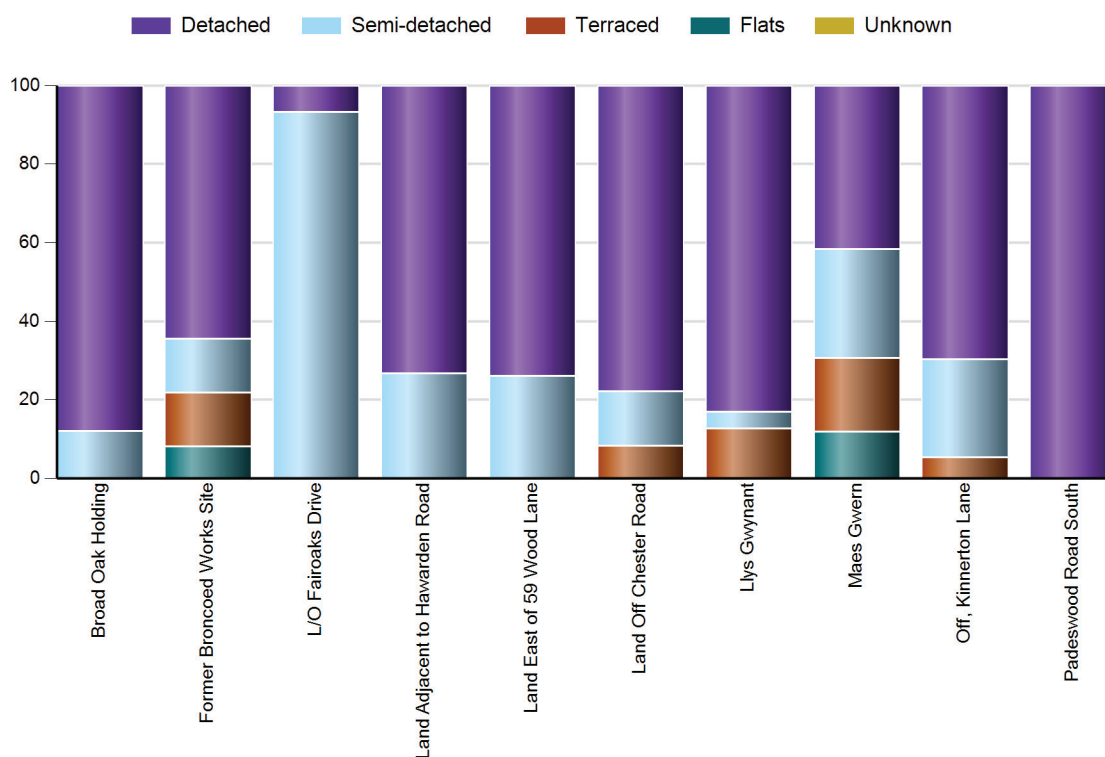
1.4 Mix of housing being developed

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 (97%) followed by flats (3%).
- Across the 5 schemes closest to the site houses are the most common property type, accounting for 100% of all units.
- Across the 5 schemes furthest away from the site houses are the most common property type, accounting for 94% of all units.
- The two schemes with the most houses (89 and 72 respectively) are:
 - Site 10 - Maes Gwern - WATES CONSTRUCTION LTD
 - Site 1 - Land Off Chester Road - REDROW HOMES LTD
- The two schemes with the most flats (12 and 6 respectively) are:
 - Site 10 - Maes Gwern - WATES CONSTRUCTION LTD
 - Site 9 - Former Broncoed Works Site - F G WHITLEY & SONS CO LTD

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 Chester Road - REDROW HOMES LTD	
Distance to Site	0.3 miles
Number of units (% started)	72 (100%)
% houses / % flats	100% / 0%
Scheme start date	26 October 2018
% affordable housing	0%
Price range (proposed at registration)	£248,000 - £349,000
Total number of units completed (% completed)	23 (32%)
Number of private units completed	23
Number of private units completed in last 6 months	5
Number of private units yet to start (last plot started)	None (Jul 2020)

Scheme 2 - Land Adjacent to Hawarden Road - MACBRYDE HOMES LTD	
Distance to Site	0.5 miles
Number of units (% started)	30 (90%)
% houses / % flats	100% / 0%
Scheme start date	10 March 2020
% affordable housing	0%
Price range (proposed at registration)	£111,000 - £350,000
Total number of units completed (% completed)	0 (0%)
Number of private units completed	0
Number of private units completed in last 6 months	0
Number of private units yet to start (last plot started)	3 (Sep 2020)

Section 1

The New Development Market

Scheme 3 - Off, Kinnerton Lane - ELAN HOMES HOLDINGS LTD

Distance to Site	1.5 miles
Number of units (% started)	56 (100%)
% houses / % flats	100% / 0%
Scheme start date	1 December 2016
% affordable housing	0%
Price range (proposed at registration)	£310,000 - £379,000
Total number of units completed (% completed)	37 (66%)
Number of private units completed	37
Number of private units completed in last 6 months	4
Number of private units yet to start (last plot started)	None (Jan 2020)

Scheme 4 - Padeswood Road South - F G WHITLEY & SONS CO LTD

Distance to Site	1.7 miles
Number of units (% started)	21 (100%)
% houses / % flats	100% / 0%
Scheme start date	2 August 2018
% affordable housing	0%
Price range (proposed at registration)	£250,000 - £365,000
Total number of units completed (% completed)	7 (33%)
Number of private units completed	7
Number of private units completed in last 6 months	3
Number of private units yet to start (last plot started)	None (Sep 2020)

Scheme 5 - Land East of 59 Wood Lane - EDWARDS HOMES LTD

Distance to Site	1.8 miles
Number of units (% started)	23 (100%)
% houses / % flats	100% / 0%
Scheme start date	9 December 2016
% affordable housing	0%
Price range (proposed at registration)	Prices out of date
Total number of units completed (% completed)	12 (52%)
Number of private units completed	12
Number of private units completed in last 6 months	3
Number of private units yet to start (last plot started)	None (Sep 2019)

Section 1

The New Development Market

Scheme 6 - Lllys Gwynant - MACBRYDE HOMES LTD

Distance to Site	3.0 miles
Number of units (% started)	47 (77%)
% houses / % flats	100% / 0%
Scheme start date	22 October 2019
% affordable housing	0%
Price range (proposed at registration)	£115,000 - £365,000
Total number of units completed (% completed)	2 (4%)
Number of units completed	2
Number of units completed in last 6 months	2
Number of units yet to start (last plot started)	11 (Sep 2020)

Scheme 7 - Broad Oak Holding - EDWARDS HOMES LTD

Distance to Site	3.9 miles
Number of units (% started)	33 (94%)
% houses / % flats	100% / 0%
Scheme start date	28 January 2020
% affordable housing	0%
Price range (proposed at registration)	£180,000 - £289,000
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)	2 (Sep 2020)

Scheme 8 - L/O Fair Oaks Drive - DAVIES DEVELOPMENTS

Distance to Site	4.0 miles
Number of units (% started)	30 (100%)
% houses / % flats	100% / 0%
Scheme start date	16 December 2016
% affordable housing	0%
Price range (proposed at registration)	Prices out of date
Total number of units completed (% completed)	9 (30%)
Number of units completed	9
Number of units completed in last 6 months	0
Number of units yet to start (last plot started)	None (Oct 2019)

Section 1

The New Development Market

Scheme 9 - Former Broncoed Works Site - F G WHITLEY & SONS CO LTD

Distance to Site	4.0 miles
Number of units (% started)	73 (99%)
% houses / % flats	92% / 8%
Scheme start date	20 June 2014
% affordable housing	0%
Price range (proposed at registration)	£285,000 - £365,000
Total number of units completed (% completed)	35 (48%)
Number of units completed	35
Number of units completed in last 6 months	0
Number of units yet to start (last plot started)	1 (Aug 2020)

Scheme 10 - Maes Gwern - WATES CONSTRUCTION LTD

Distance to Site	4.4 miles
Number of units (% started)	101 (99%)
% houses / % flats	88% / 12%
Scheme start date	21 November 2018
% affordable housing	26%
Price range (proposed at registration)	£147,000 - £262,000
Total number of units completed (% completed)	5 (5%)
Number of units completed	5
Number of units completed in last 6 months	4
Number of units yet to start (last plot started)	1 (Sep 2020)

Source: NHBC

2.1 Overview of pricing across local market area

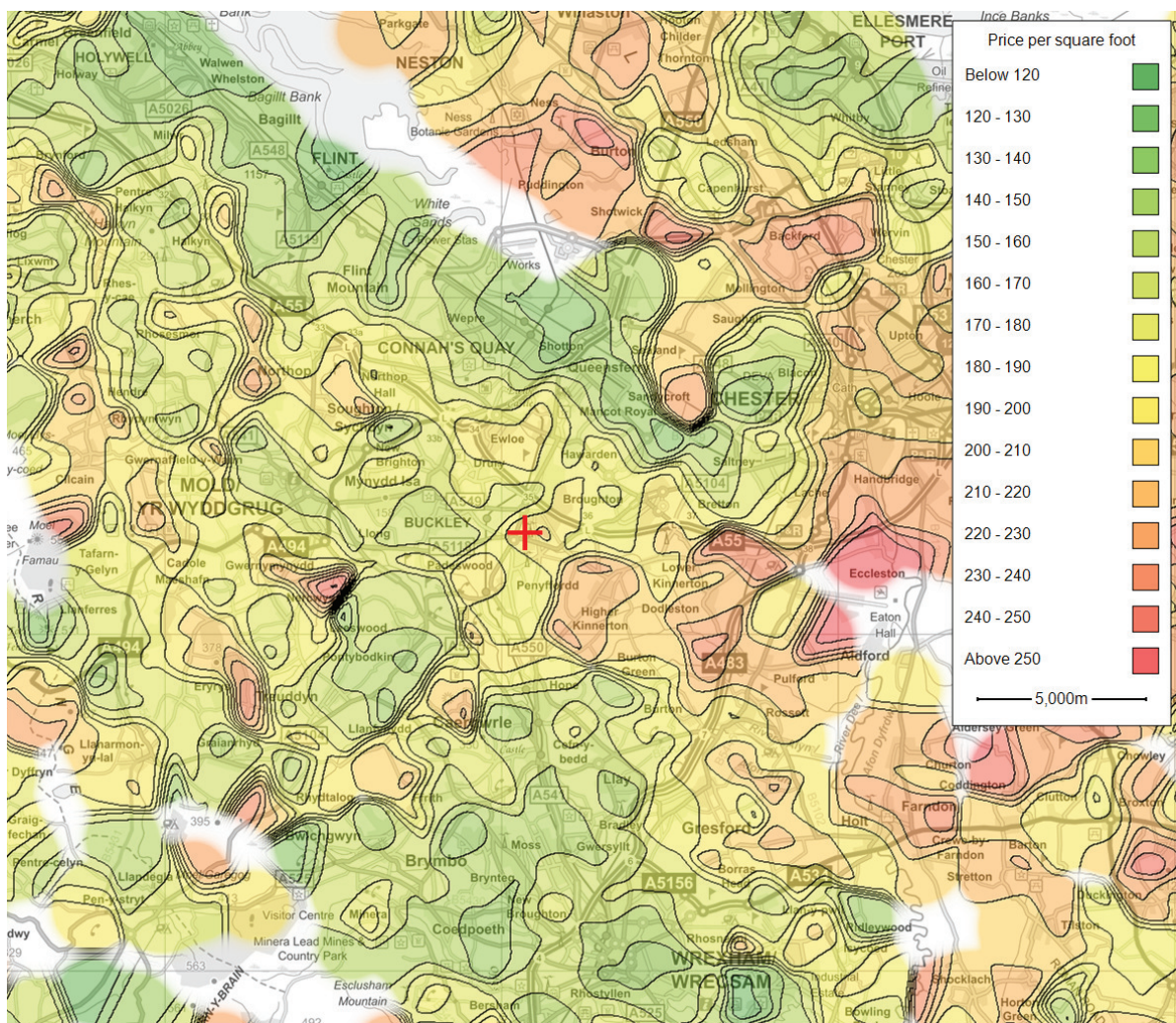
This section sets out an analysis of pricing levels and transaction volumes across the local market area, encompassing the selected developments. This is based on a combination of achieved prices from the land registry and valuation data

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.

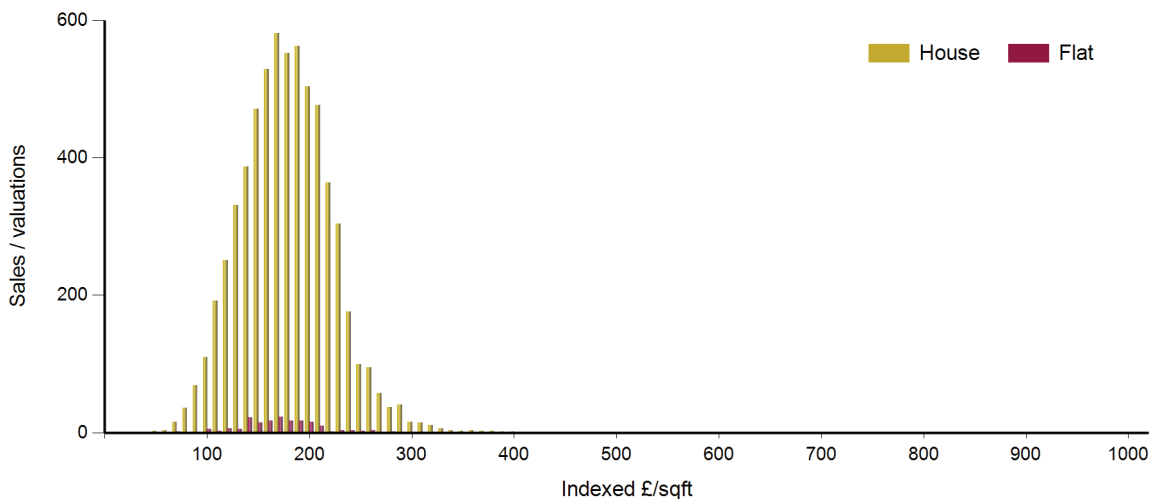
In summary £psf (£psm) prices across the catchment area are as follows:

- Median: Flats - £158psf (£1,700psm), Houses - £169psf (£1,815psm)
- Upper quartile: Flats - £181psf (£1,948psm), Houses - £199psf (£2,141psm)
- Upper decile: Flats - £203psf (£2,183psm), Houses - £227psf (£2,447psm)

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

Price point	Flats		Houses	
	£psm	£psf	£psm	£psf
Lower Quartile	£1,437	£134	£1,510	£140
Median	£1,700	£158	£1,815	£169
Upper Quartile	£1,948	£181	£2,141	£199
Upper Decile	£2,183	£203	£2,447	£227

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



Source: Hometrack

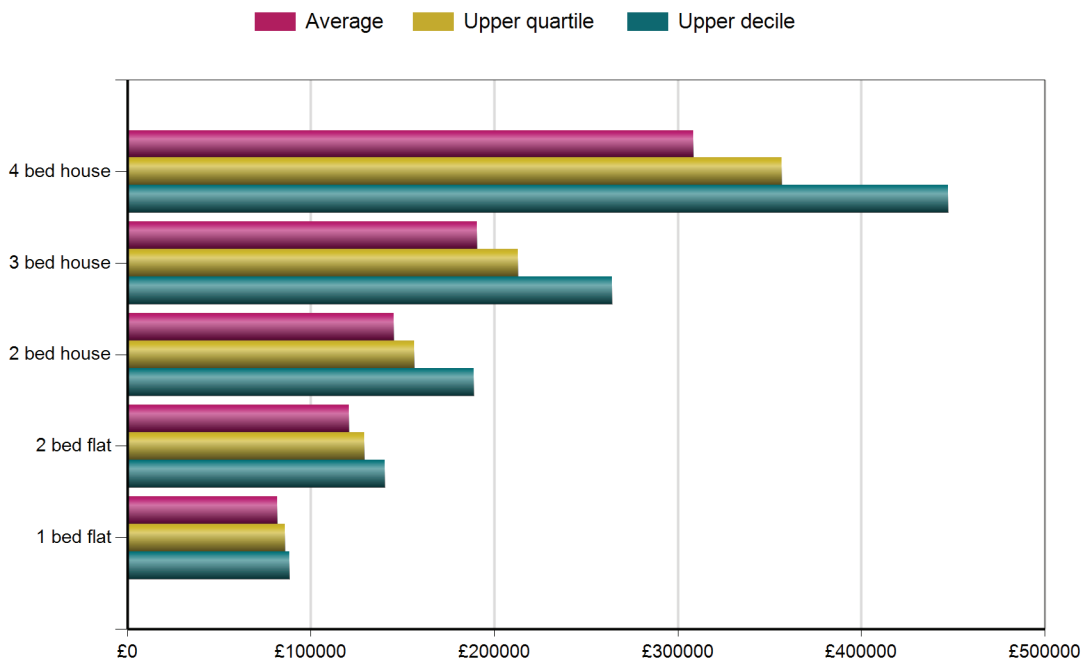
2.3 Absolute pricing levels

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	£82,000	£86,000	£88,000
2 bed flat	£121,000	£129,000	£140,000
2 bed house	£145,000	£156,000	£189,000
3 bed house	£191,000	£213,000	£264,000
4 bed house	£308,000	£357,000	£447,000

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



Source: Hometrack

2.4 Transaction volumes by type and price

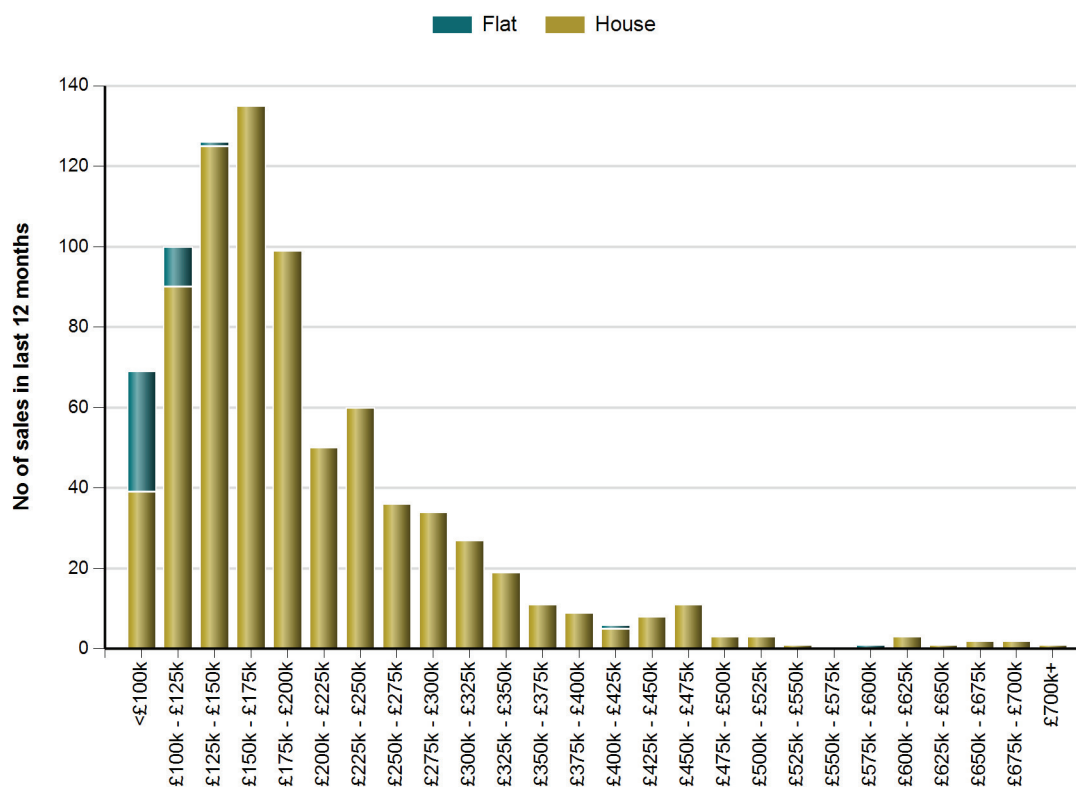
This section sets out an overview of transaction volumes across the local market area. Total turnover over the past 12 months has been 817 sales.

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 1.6%.
- 54 (7%) of these sales were new build.¹
- The remaining 763 transactions were re-sales.
- Most sales (135) took place in the £150k - £175k price band.
- Most new build sales (16) took place in the <£100k 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

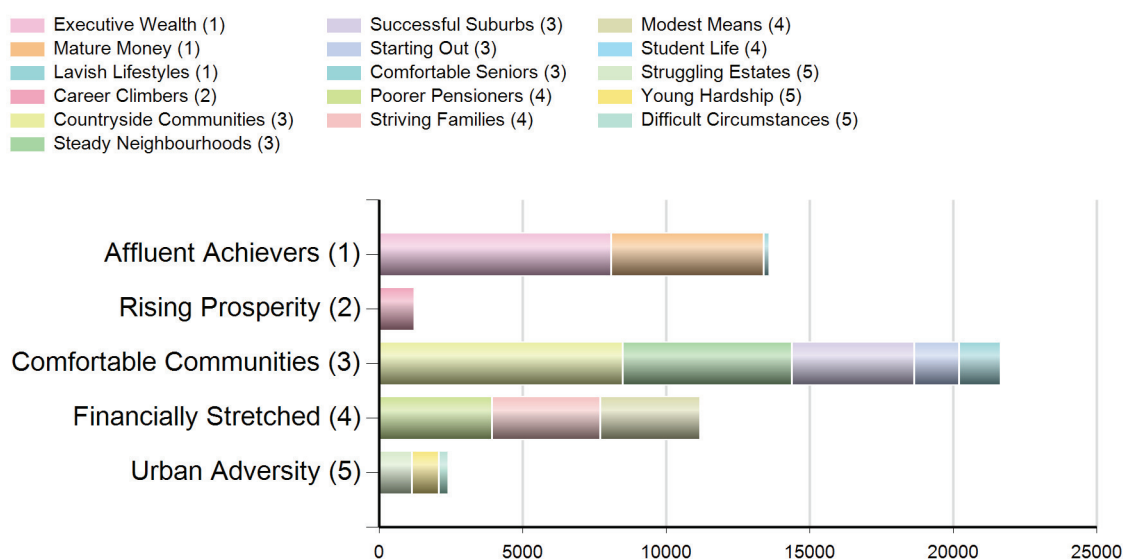
3.1 Demographic profile of households

Within the local market area there are 50,078 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 Countryside Communities (8,484 or 17%), followed by Executive Wealth (8,094 or 16%), Steady Neighbourhoods (5,896 or 12%) and Mature Money (5,313 or 11%).
- The two largest Categories representing the target market are Comfortable Communities (21,649 or 43%) and Affluent Achievers (13,588 or 27%).
- The two most numerous Groups in the Comfortable Communities Category are
 1. Countryside Communities – 8,484 or 17% of all households
 2. Steady Neighbourhoods – 5,896 or 12% of all households
- The two most numerous Groups in the Affluent Achievers Category are
 1. Executive Wealth – 8,094 or 16% of all households
 2. Mature Money – 5,313 or 11% 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 Sir y Fflint - Flintshire is 0.6% compared to 0.6% six months ago. The most common socio-economic classification in the local area is 'Lower managerial and professional' representing 20% of households.

Household incomes and buying power in local market

Average household incomes in the catchment area are £41,000 with an upper quartile of £55,000. 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 £175,714 assuming a 3x income multiple and £205,000 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%	£246,000	£287,000	£330,000	£385,000
60%	£205,000	£239,000	£275,000	£321,000
70%	£176,000	£205,000	£236,000	£275,000
80%	£154,000	£179,000	£206,000	£241,000
90%	£137,000	£159,000	£183,000	£214,000

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 36,000 people aged 20-39 years according to the latest population data. This group accounts for 23.4% of the local population – a proportion which is 3.5% below the average for the region.

For a typical 2 bed flat in the local authority, it is more expensive to rent than to buy outright with a standard 85% mortgage. The average weekly rental is £136 per week compared to the cost of a buying with an 85% mortgage of £123 per week.

Based on an average price of £121,000 for a 2 bed property, the gross yield is 5.8% on the basis that average rents are currently £136 per week.

The supply of rented housing in the local area accounts for 9.3% of overall housing supply. This is 6.0% 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	M53 J12	8.5
Railway Stations, Junctions and Halts	Buckley Station	0.8
Underground Network Stations	Not Available	
Bus Stops	14 within 1000 metres	
Tram, Metro and Light Railway Stations and Stops	Not Available	
Airports and Landing Strips	Chester Aerospace Park	2.1

Source: Ordnance Survey

Table 8. Nearest primary schools

Type	Name	Distance ¹
First, Primary and Infant Schools	St Johns the Baptist V.A. Primary School	0.2
	Penyffordd Junior School	0.7
	Drury C.P. School	1.0

Source: Department for Children, Schools and Families

Table 9. Nearest secondary schools

Type	Name	Distance ¹
Broad Age Range and Secondary State Schools	Hawarden High School	2.0
	Elfed High School	2.1
	Castell Alun High School	2.8

Source: Department for Children, Schools and Families

¹All distances are given as the crow flies¹

About Hometrack

Hometrack delivers independent, specialist insight on residential property value, risk and opportunity.

Our business tools span the residential market life-cycle through feasibility, pricing, valuation, lending, funding and investment. Clients across financial services, government and real estate rely on Hometrack's unbiased insight to inform critical decision making. We operate in the UK, Europe and Australia.

For more information about Hometrack, or to order an instant online valuation of your property, visit our website.

Hometrack
The Cooperage
5 Copper Row
London
SE1 2LH

www.hometrack.com