



## Results for the full year ended June 2024

“Results in-line with expectations as  
Gleeson Homes delivers a strong  
performance”

18 September 2024



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Graham Prothero  
CEO



Stefan Allanson  
CFO

# Overview

# Results overview

## Gleeson Homes:

- Delivered an above expectation performance, with operating profit over £30m
- 1,772 homes sold (2023: 1,723)
- Good progress in Partnerships
- 5-star customer recommendation in every region
- Pipeline increased to 179 sites and over 19,000 plots to deliver growth

## Gleeson Land:

- 4 sites sold
- Planning challenges exacerbated by political backdrop
- 7 sites with consent, 3 currently in a sales process
- Completed restructure of team to improve regional focus



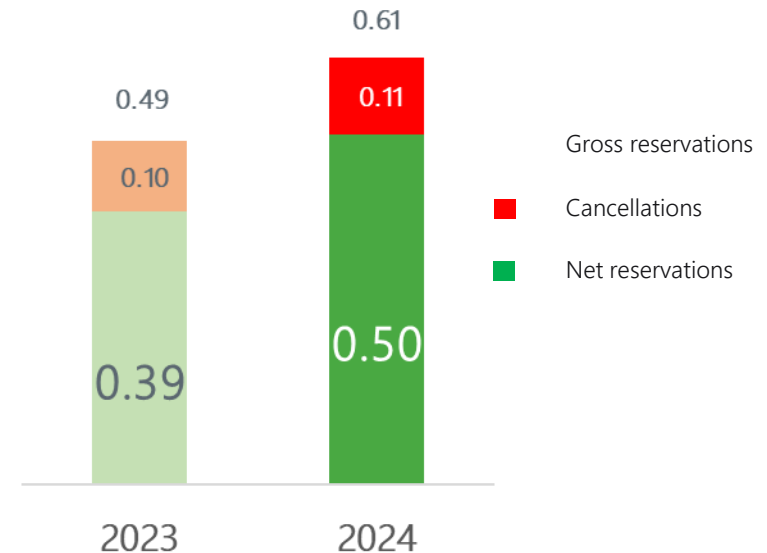
Sales Centre at Harriers Croft  
3-bedroom, 'Brandone', detached  
3-bedroom, Tyrone, semi-detached  
2-bedroom, Cork, semi-detached  
Rural 21 elevation

# Recent trading

- Improved sales rate following base rate reduction
- Recent open market sales rate up 28% over prior year:
  - 10 weeks to 6 September 2024: 0.50
  - 10 weeks to 8 September 2023: 0.39
- Pricing remains resilient, with continuing support from incentives

## Last 10 weeks

Net reservations up 28% v prior year



Net reservation rates exclude private multi-unit sales, partnership sales and s106 Affordable sales to Registered Providers

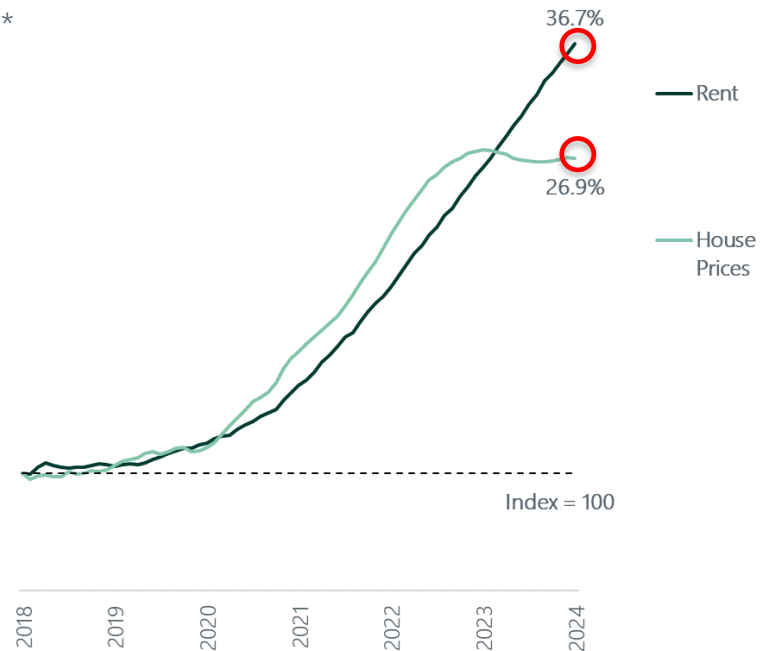
# Government policies encouraging for the sector

- We welcome the ambition from Government across housing targets and prioritisation of affordable housing
- Key focus areas:
  - Reform of the NPPF:
    - Measures to support increased delivery of new build housing
    - Emphasis on grey belt and brownfield
    - Resolution of nutrient neutrality
  - First-time buyer support
  - Alleviation of acute skills shortage
  - Recognition of role of private sector involvement, especially via partnerships

# Building the affordable homes the country needs

- Selling prices affordable to lower income households
  - £371,500 average new build house price in England\*
  - £281,000 average new build house prices in North & East Midlands\*
    - 51% higher than Gleeson's average selling price of £185,700
- Affordable alternative to renting
  - Rental costs up 7.1% in last 12 months – local house prices flat
  - Typical Gleeson 2-bed home costs £162 per week to buy versus £202 per week to rent
- Accelerating our delivery via Partnerships
- Significantly lower cost but equal quality to other housebuilders

House prices & Rent in North & Midlands  
(Indexed 2018)



\*Source: UK House Price Statistics for all new build dwellings for 12 months to April 2024, provided by UK House Price Index

Average Gleeson selling price on completions in FY24

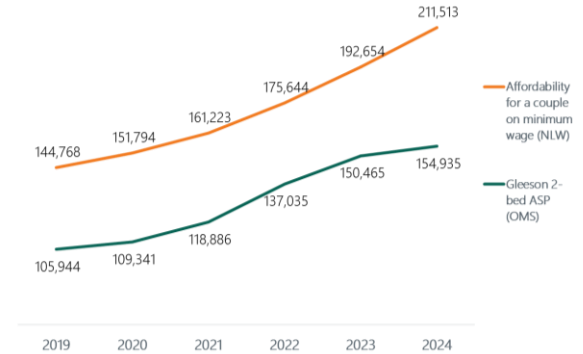
Rental cost based on the median of new rent listings of a 3-bed house in the North of England and East Midlands. Data provided by OnTheMarket

House Prices per Sales Listing Data provided by OnTheMarket

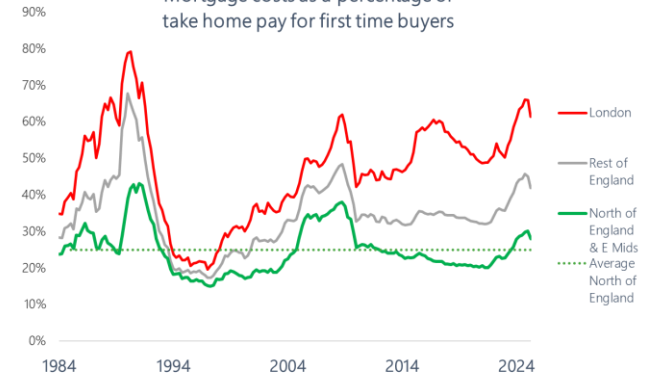
# Highly affordable

- Affordable for low-income buyers
  - Mortgage payments 22% take home pay v UK average 31%\*
  - National Living Wage (NLW) increased by 9.8% from April 2024
  - A couple on the NLW can afford a home costing £211,513
    - 37% higher than Gleeson's average 2-bed home
    - Higher than Gleeson average 3-bed home
- Mortgage costs for first time buyers in North & Midlands close to 40-year average
- Energy savings important – typically £13 per week saving from October 2024 on a 2-bed home
  - Average existing 3-bed house energy bill £2,170 p.a. from Oct 2024
  - Average Gleeson 3-bed house energy bill £1,300 p.a. from Oct 2024

How much can a couple on the minimum wage afford versus Gleeson Homes' average 2-bed price



Mortgage costs as a percentage of take home pay for first time buyers



Source: Nationwide

\*Source: Nationwide Building Society FTB mortgage payment % by region

Gleeson 2-bed FOB OMS ASP £154,935. Mortgage payments on 90% LTV, 5 year fixed, 35 year term at 4.75%.



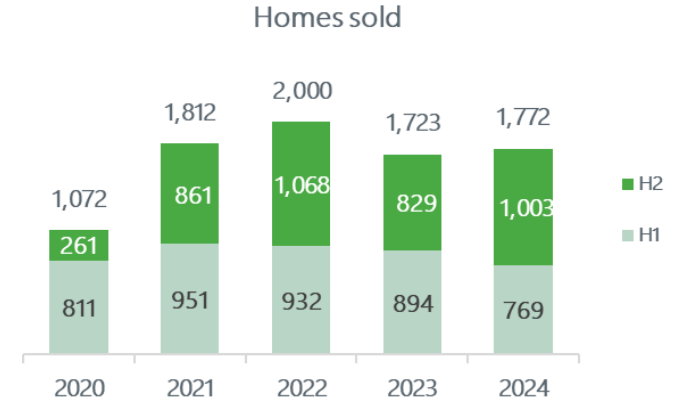
# Financial Performance

# Group income statement

£ million	Year ended 30 June 2024	Year ended 30 June 2023	Change	Notes
Gleeson Homes	329.0	320.8	2.6%	Homes sold up 2.8%, ASP down 0.3%
Gleeson Land	16.3	7.5	117.3%	4 sites sold (2023: 3) & completion of a site sold in 2019
<b>Revenue</b>	<b>345.3</b>	<b>328.3</b>	<b>5.2%</b>	
Gleeson Homes	30.3	35.0	-13.4%	
Gleeson Land	2.2	1.0	120.0%	
Group overheads	(3.9)	(2.4)		
<b>Operating profit</b>	<b>28.6</b>	<b>33.6</b>	<b>-14.9%</b>	
Interest	(3.8)	(2.1)		
<b>Profit before tax</b>	<b>24.8</b>	<b>31.5</b>	<b>-21.3%</b>	
Tax	(5.5)	(6.5)		22.3% effective tax rate (2023: 20.6%)
<b>Profit attributable to shareholders</b>	<b>19.3</b>	<b>25.0</b>		
<b>EPS (Basic earnings per share)</b>	<b>33.1p</b>	<b>42.9p</b>	<b>-22.8%</b>	

# Gleeson Homes

- Homes sold up 2.8% to 1,772 (2023: 1,723)
  - Including 346 private multi-unit sales (2023: 115)
- ASP down 0.3% to £185,700 (2023: £186,200)
  - +1.5% increase in underlying\* selling prices
    - Gross prices up 4.5%
    - Average incentives\*\*: £8,100, 4.4% (2023: £2,800, 1.5%)
    - Customer extras: £2,300, 1.2% per home (2023: £2,800, 1.5%)
  - -1.7% reduction from increased multi-unit sales
  - -0.1% house-type and site mix
    - 2-beds 26% (2023: 22%)
    - Garages 59% (2023: 65%)

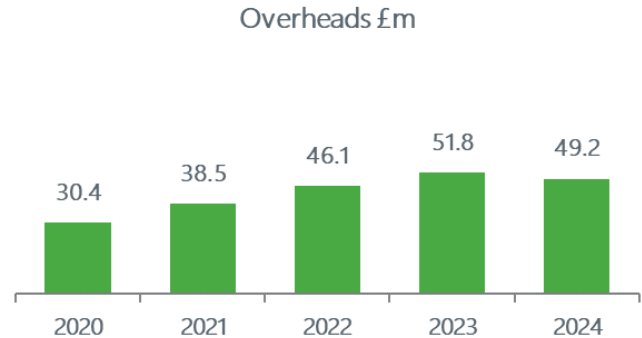


\* Underlying based on open-market sales and adjusted for bed, garage and site mix impact

\*\*Average incentives on open-market sales (cash and non-cash incentives)

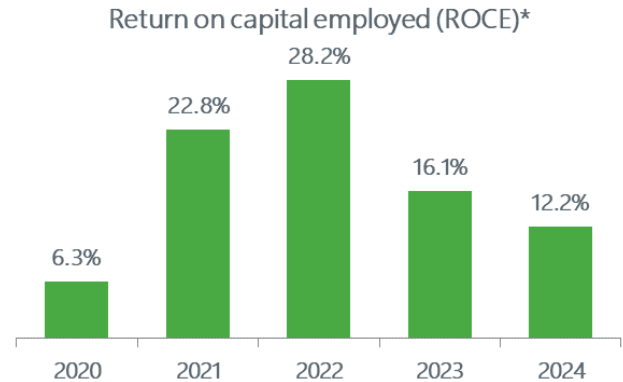
# Gleeson Homes

- Gross profit of £79.2m (2023: £86.5m)
  - Gross profit per home sold £44.7k (2023: £50.2k)
  - Gross margin on unit sales 24.1% (2023: 27.0%)
    - Increased incentives & lower extras
    - Multi-unit sales at 10% - 15% discounts
    - Cost increases on older sites nearing completion
    - Extended site durations
    - Low build cost inflation
- Overheads reduced 5.0% to £49.2m (2023: £51.8m)
  - Impact of the organisational restructuring completed June 2023



# Gleeson Homes

- Other operating income £0.3m (2023: £0.4m)
- Operating profit £30.3m (2023: £35.0m)
- Operating margin 9.2% (2023: 10.9%)
- ROCE 12.2% (2023: 16.1%)

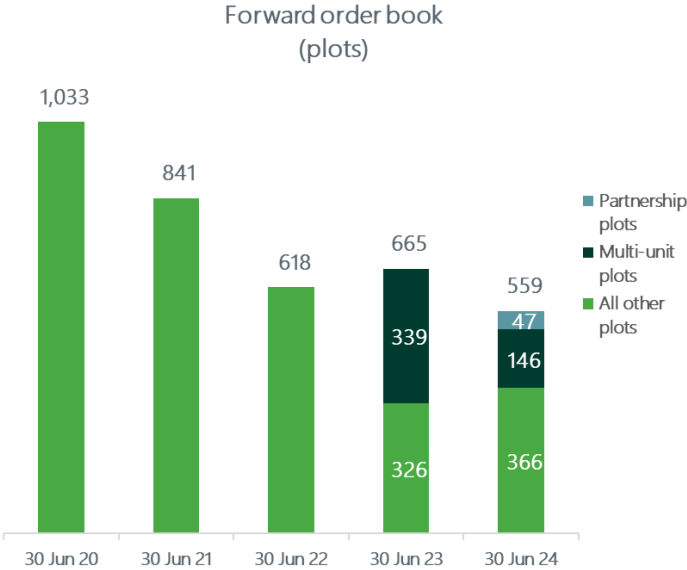


\* FY23 results are stated before £1.0m exceptional restructuring costs and FY22 results are stated before £12.9m exceptional building safety provision

\*\* Return on capital employed is calculated based on earnings before interest and tax and exceptional items (EBIT), expressed as a percentage of the average of opening and closing net assets for the prior 12 months after deducting deferred tax and cash and cash equivalents net of borrowings

# Gleeson Homes forward order book

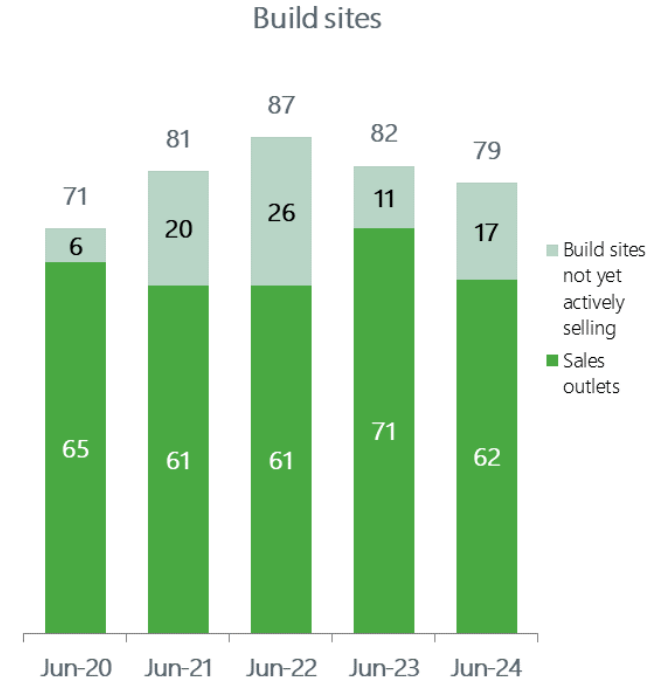
- Open market sale forward orders up 12.3% on prior year
- Multi-unit orders\* lower than prior year
  - Reflects large multi-unit sales agreed June 2023



\*Includes s106 multi-unit Affordable Homes for-rent sold to Registered Providers

# Gleeson Homes sites

- Planning delays impacted build and sales site starts
- Build sites
  - 10 sites opened (2023: 3 sites opened)
  - Building on 79 sites (2023: 82 sites)
  - Expect to open over 20 sites by June 2025
  - Expect between 70 & 75 sites by June 2025
- Sales outlets
  - 4 outlets opened for sales (2023: 18 outlets opened)
  - 62 sales outlets (2023: 71)
    - 65 average outlets (2023: 68)
  - Expect between 60 & 65 outlets by June 2025
    - Average sales outlets to be c5% lower

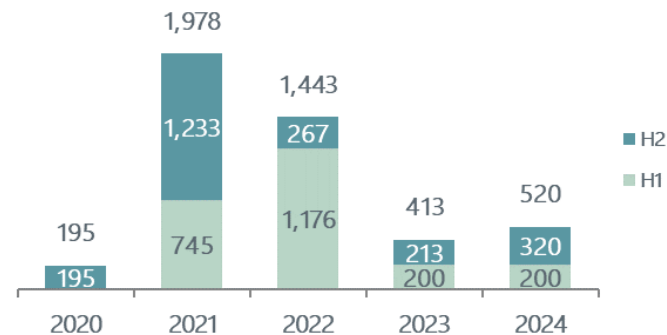


\*Prior to 2020 all sites were actively selling from date of build start

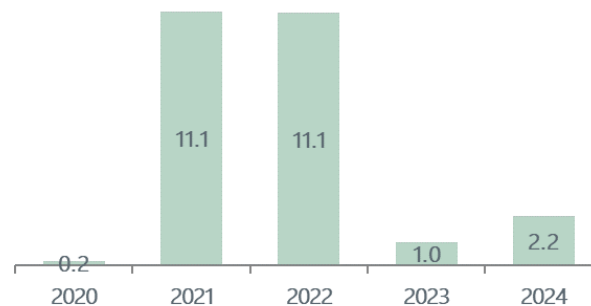
# Gleeson Land

- 4 land sales completed (2023: 3 land sales)
  - All promotion sales (2023: all promotion sales)
  - 520 developable plots (2023: 413)
- Gross profit £5.3m (2023: £3.6m)
  - Gross profit\* per plot £16,550 (2023: £11,400)
- Overheads £3.1m (2023: £2.6m)
  - Investment in capabilities and structure
- Operating profit £2.2m (2023: £1.0m)

Site sales (number of plots)



Operating profit £m



\*Gross profit per plot stated before £3.3m increase in provisions (2023: £1.1m increase in provisions)



# Group balance sheet

£ million		30 June 2024	30 June 2023	Notes
Gleeson Homes	Land	100.0	97.1	£12,800 per plot (2023: £12,100)
	WIP	214.2	214.0	£2.7m per site (2023: £2.6m)
Gleeson Land	Land	13.8	15.5	71 sites (2023: 70 sites)
	WIP	17.2	18.0	
<b>Total inventories</b>		<b>345.2</b>	<b>344.6</b>	
Other assets		19.9	26.5	£16m Gleeson Homes, £3m Gleeson Land, £1m tax
Gleeson Homes land creditors		(9.3)	(13.5)	9.3% of Gleeson Homes land assets (June 2023: 13.9%)
Other liabilities*		(71.0)	(76.8)	£67m Gleeson Homes, £3m Gleeson Land, £2m Corp.
Cash		12.9	5.2	
<b>Net assets</b>		<b>297.7</b>	<b>286.0</b>	

\*Includes £12.4m exceptional building safety provision (June 2023: £12.8m)

# Building safety

- Wholly committed to remediating life-critical fire-safety issues
- Identified 17 buildings over 11 metres
  - 16 buildings below 18 metres, 1 building at 18.3 metres
  - 4 with some cladding (none fully clad)
  - Remediation works focused on internal compartmentation, fire doors, fire barriers and some minor cladding removal
- £12.9m provision booked in 2022 remains appropriate
- Focused on completing works swiftly:
  - 10 buildings by June 2025
  - 5 buildings by June 2026
  - 2 buildings by June 2027
- Completion requires regulator sign-off

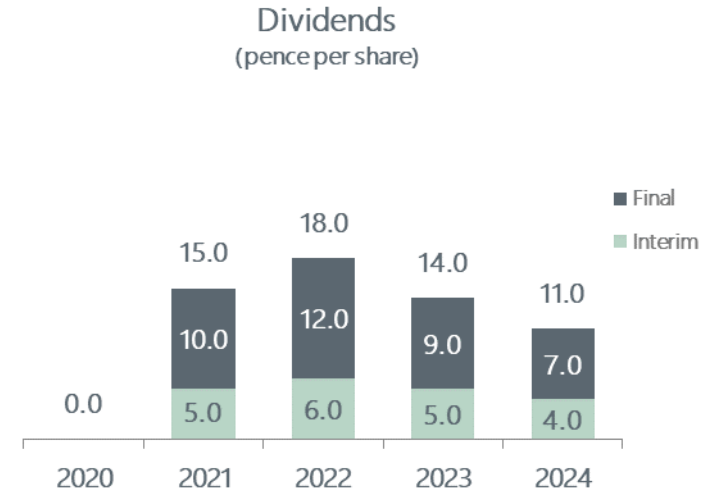
Stage of work	No. of buildings
<b>Work underway</b>	<b>5</b>
<b>In design or procurement</b>	<b>7</b>
<b>Being assessed</b>	<b>2</b>
<b>Unable to access building</b>	<b>3</b>

# Group cash flow

£ million	Year ended 30 June 2024	Year ended 30 June 2023	Notes
Profit before tax	24.8	30.5	
Depreciation and other	8.4	5.8	Depreciation, provisions, finance costs and SBP charges
Working capital movements	(5.6)	(45.9)	June 2023 reflects investment in Part L
<b>Cash generated from operating activities</b>	<b>27.6</b>	<b>(9.6)</b>	
Tax	(5.6)	(2.8)	
Interest and finance costs	(4.0)	(2.1)	Increased average borrowings during the period
Capital expenditure less disposals	(1.4)	(3.4)	Lower capex - fewer sales sites opened
Principal elements of lease payments	(1.2)	(0.8)	Office & equipment leases
Dividends	(7.6)	(9.9)	
<b>Increase/(decrease) in cash</b>	<b>7.8</b>	<b>(28.6)</b>	
<b>Closing cash and cash equivalents</b>	<b>12.9</b>	<b>5.2</b>	

# Dividends

- Recommended final dividend of 7.0 pence per share
  - Paid on 22 November 2024
- Total dividend for the year 11.0 pence per share
  - Dividend cover of 3.0 times
- Capital allocation policy to support site opening plans and growth
- Dividend cover to remain between 3 and 5 times

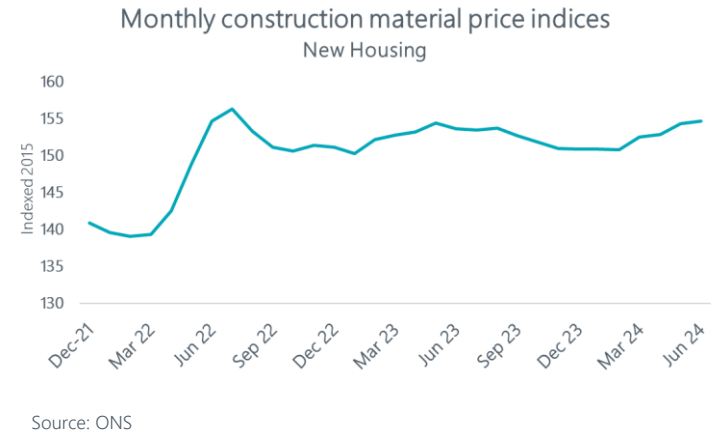
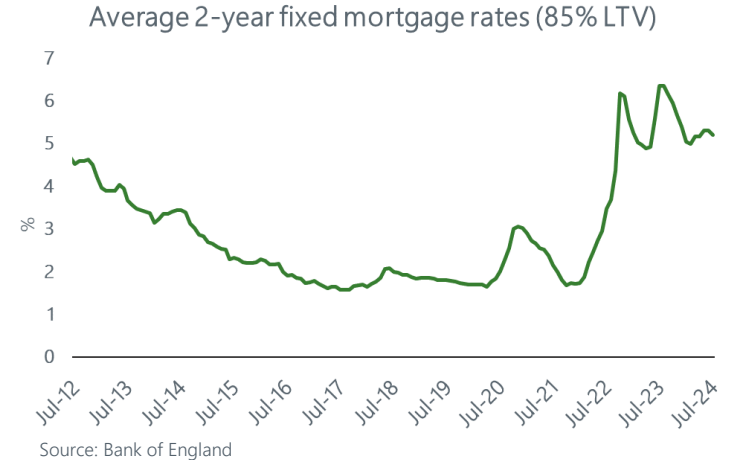


# Operations & Strategy

# Gleeson Homes

# Market

- House prices generally higher than last year
- Build costs have been stable
- Improving base rate and mortgage lending environment
- Earnings growth highest amongst low-earners
- Recent political commentary around Autumn statement restraining confidence
- Awaiting new funding settlement for Homes England and housing associations



- Partnerships will accelerate the delivery of homes, enabling us to reach 3,000 homes per year sooner than under our traditional sales model
- Political will to “catalyse private capital” in expanding delivery
- Benefits of our partnership strategy
  - Upfront funding and funding during the life of a site
  - Enables us to secure and develop larger, more efficient sites
  - Reduces sales risk and sales & marketing overheads
  - Improves return on capital employed
  - Accelerates growth

	Open market site	Partnership site
<b>Site size</b>	50-200 plots	100-900 plots
<b>Sales rate</b>	30-50 homes p.a.	50-80 homes p.a.
<b>Proportion forward sold</b>	None	30-50%
<b>Sales risk</b>	Open market	Mix of forward sold to partner and open market
<b>Gross margin</b>	25-35%	15-30%
<b>ROCE</b>	20-30%	35-45%



# Progress in partnerships

- Two partnership deals signed to date
- Secured “Investment Partner” status with Homes England providing access to grant funding
- Actively progressing discussions with a number of prospective partners
- Every region working on multiple partnerships sites
  - Targeting minimum one site per Region by the end of the financial year
- Efficient model, leveraging small specialist partnership team working alongside Regional teams
- Using standard Gleeson house types
- Selective on structures – no contracting



Homes England



## Waterloo Sidings, Leeds

Defunct railway sidings in Halton Moor, 147 plots  
47 forward sold for rental and shared ownership

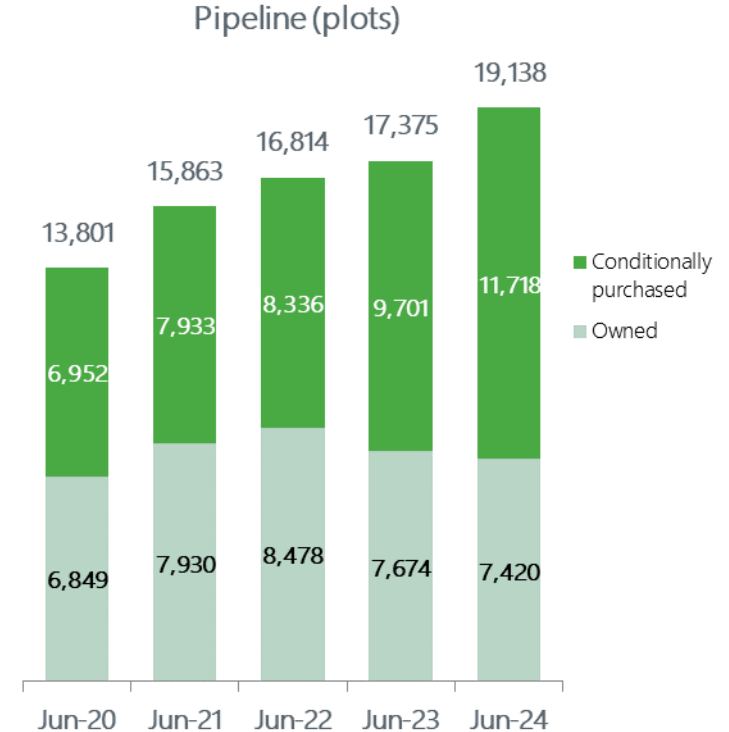


## Shetcliffe Lane, Bradford

Former industrial land, 106 plots  
58 homes forward sold for single family rental



# A pipeline for growth

- Pipeline up 10.1% to 19,138 plots on 179 sites
  - 79 active build sites
  - 12 owned, not yet active
  - 88 conditionally purchased sites
- High quality pipeline to support growth
  - Average cost c.£15,100 per plot (2023: £14,300)
- Land continues to be available at sensible prices
  - Still significantly less than 10% of revenue
  - Land cost on pipeline additions £17,400 per plot (2023: £15,600)



# The route to 3,000 homes p.a.

- Under supplied market segment, with strong underlying demand for high-quality affordable homes
- Business well-positioned to achieve growth:
  - Pipeline of 100 future sites
  - Controlled expansion, opening c.30 sales sites p.a. from FY25/26
- Remain confident of achieving at least 3,000 units p.a. in the medium term in a stable market
- Partnership incremental to medium term objective
- 20% sales from Partnership sites over medium-term

	FY24	Medium-term, stable market scenario
<b>Sales rate*</b>	<b>0.55</b>	<b>0.60</b>
<b>Sales outlets</b>	<b>65**</b>	<b>100</b>
<b>Total homes sold</b>	 <b>1,772</b>	 <b>3,000 p.a.</b>

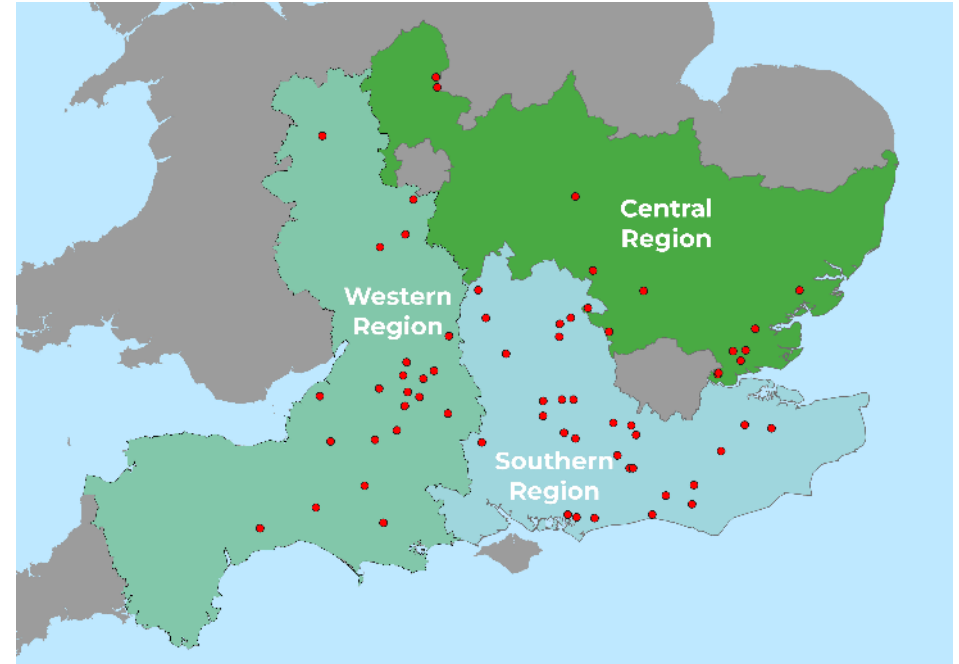
\* Total completions divided by average number of selling sites over 50 weeks

\*\* 64.8 average selling sites

# Gleeson Land

# Implementing the growth strategy

- Key senior hires - team strengthened to 20 experienced technical, land and planning experts
- Formation of three operating regions to focus our teams and drive growth
  - Senior appointments with regional expertise
- Market-leading data analytics capabilities delivering increased opportunities and quality of bids
- Expect to build the pipeline significantly over the medium term
  - Low investment – small legal and promotion fees



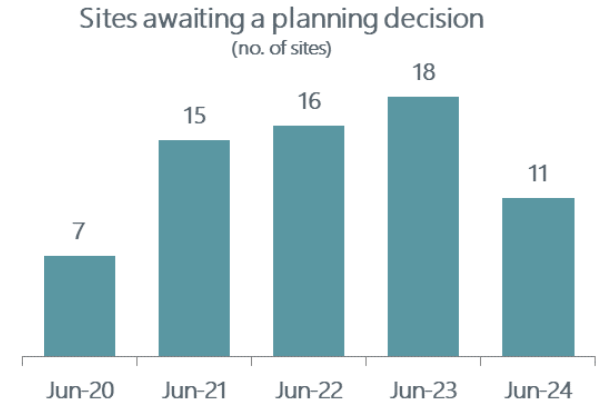
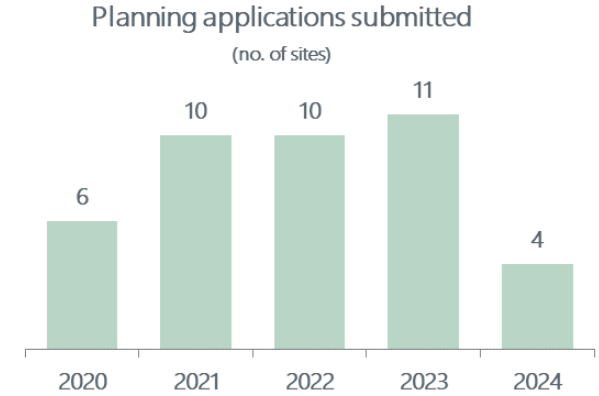
# Success in site acquisitions

- Market remains competitive, but seeing a good level of opportunities
- 5 new sites secured in the period for 852 plots (100 acres)
- A further 6 sites with offers accepted and being progressed for c2,800 plots (475 acres)
- Win rate has doubled compared to the prior year



# Navigating the system

- 4 planning applications submitted (2023: 11)
- 5 sites granted permission (2023: 6)
- Planning consent refused on 6 sites, of which 5 via appeal
  - Impact of general election timing
  - These sites will be promoted through the local plan process
- Consequently, current full year outturn H2 weighted
  - H1 results likely to reflect net admin costs
- 11 sites awaiting a planning decision (2023: 18)
  - Of which, 2 sites awaiting appeal (2023: 8)
- 7 sites currently with permission (2023: 6)





# Summary & Outlook

# Summary & outlook

- Results in line with expectations, with Gleeson Homes delivering a strong performance
- Seeing a tentative improvement in sales rates
- Agreed first partnership transactions and in active dialogue with additional partners
- Encouraging signals from the Government on housing and planning
- Moving ahead on scaling up both business
  - Gleeson Homes site growth will drive volume growth
  - Strong portfolio of Gleeson Land sites

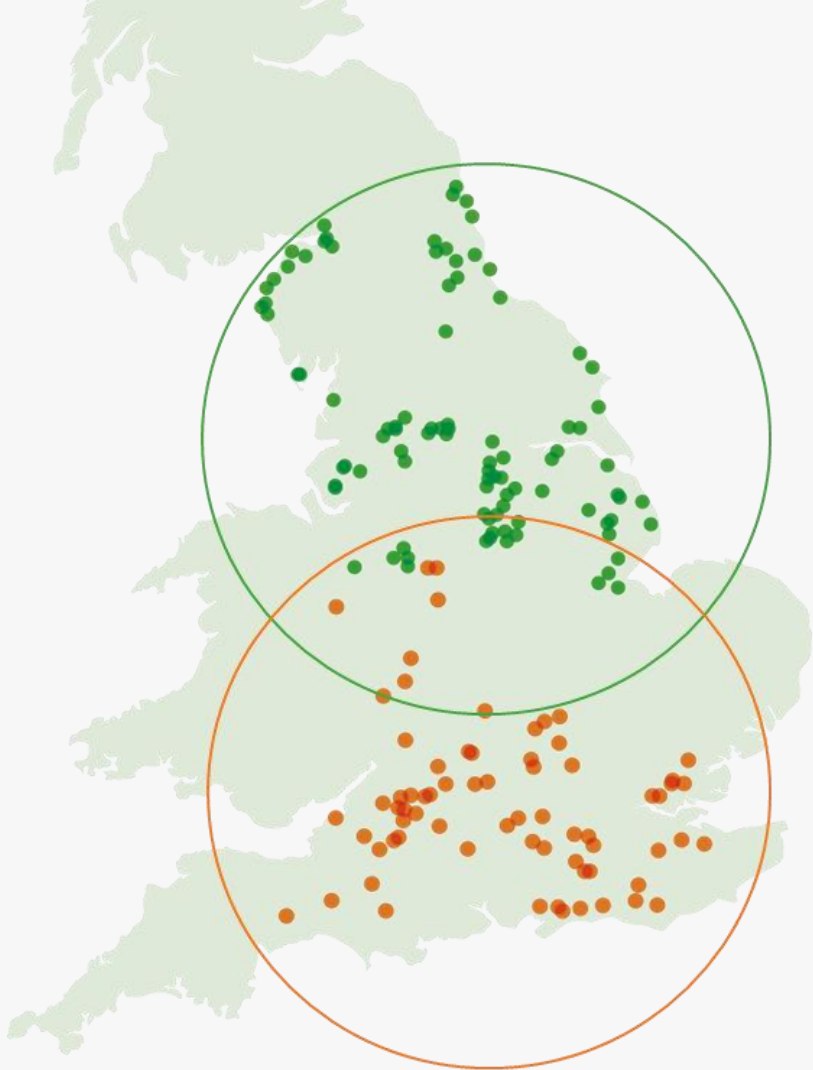
*We have the people, the land, the skills and the ambition to triple profitability over the medium-term*



Firbeck Fields, Worksop,  
Rural 21 Elev

# Q&A

# Appendices



## Gleeson Homes

We build and sell high-quality, low-cost homes where they are needed, for people who need them most.

## Gleeson Land

We promote land, enhancing its value by securing mainly residential planning consent.

# Gleeson Land – Pipeline

- 71 sites (June 23: 70 sites)
- 16,911 plots (June 23 : 17,831 plots)
- 1,473 plots on 7 sites with consent / resolution to grant (June 2023: 1,400 plots on 6 sites)



	As at 30 June 2024		As at 30 June 2023	
	No. Sites	Plots	No. Sites	Plots
Planning consented / resolution to grant	7	1,473	6	1,400
Planning submitted	11	3,045	18	4,285
Allocated / emerging allocation	5	1,128	6	1,881
Not allocated	48	11,265	40	10,265
<b>Total</b>	<b>71</b>	<b>16,911</b>	<b>70</b>	<b>17,831</b>

# Significantly cheaper to buy than rent

Number of bedrooms	Average Gleeson price	85% LTV mortgage (cost per week)	90% LTV mortgage (cost per week)	Rented house – new lettings (cost per week)
2 bed	£159,500	£148	£162	£202
3 bed	£195,100	£181	£198	£254
4 bed	£247,600	£230	£251	£346

All mortgage payments based on Mortgage payments on 85%/90% LTV, 5yr fixed, 35yr term at 4.5%/4.75% (best available mortgage from Rightmove) on Gleeson average OMS ASP on last 6 months net reservations to Jun-24  
Rented house new lettings is based on new lettings in Jul-24 from OnTheMarket

# Customer demographics & case studies



# Customer demographics

- Change in demographic due to affordability and quality:
  - First-time buyers: up slightly to 56% (80% three years ago)
  - Median age: up two years at 34 years old (29 years old two years ago)
    - Over 55 year-olds: slightly higher at 22% (10% two years ago)
    - Youngest buyer 18 years old, oldest buyer 87 years old
  - Cash buyers: down slightly at 8% (5% three years ago)
  - Single buyers: slightly higher at 47%
  - Loan to Income: down from 3.5x to 3.3x earnings
  - Median income: up 8% to £30,000 p.a.
  - Average deposit for mortgaged buyers: 12% (15% last year)
- The lowest earners:
  - 5% of UK workforce earn the National Living Wage
  - 18% of Gleeson customers earn the National Living Wage
- The highest earners:
  - Top 10% of Gleeson buyers median income above £52,600 p.a. (£48,400 two years ago)



Oliver, Laura and Sylvie  
Saxon Grange, Boston

# Our case studies

## Agnieszka and Rafael

Buyer name:	Agnieszka, 41 and Rafael, 40
Occupation:	Civil Servant and Business Analyst
Date of purchase:	December 2023
Development:	Rainsborough Park, West Yorkshire
House type:	3-bedroom, detached Kilkenny
Purchase price:	£219,995
Mortgage:	£630 per month

Agnieszka and Rafael had previously rented a number of apartments in London over a period of 8 years. In the Autumn of 2018, they relocated to Wakefield because of cheaper property prices and rental costs, and to improve their work/life balance.

Whilst they had a good deal on their rented property in Wakefield, Agnieszka and Rafael were ready to move into a larger property, especially with a baby on the way. As they had been renting for many years, they thought they were now ready to buy their own property.

The couple considered buying a pre-owned property, however they decided against it as most of the properties they looked at needed a lot of work. Since moving into their Gleeson Home, they have not had to worry about that at all.



# Our case studies

## Tim and Catherine

Buyer name:	Tim, 33 and Catherine, 29
Occupation:	Catherine owns a hair salon, where they both work
Date of purchase:	February 2024
Development:	Crown Gardens, Mansfield
House type:	3-bedroom, semi-detached Tyrone
Purchase price:	£211,995
Mortgage:	£950 per month

Tim and Catherine were extremely happy with the options and offers available to them when they purchased their Gleeson Home. They also loved all the different house styles to choose from which were available within their budget.

After viewing the 'Tyrone', they adored the kitchen/diner layout and decided this was the house type for them.

Tim and Catherine were both very happy with how the whole process was, as well as how Gleeson staff continue to check in on them to make sure everything is up to standard.

They are hoping to start their own family in the near future and are excited to raise a child in their beautiful home on its lovely, peaceful site.



# Our case studies

## Imogen and Josh

Buyer name:	Imogen, 25 and Josh, 27
Occupation:	Homeless Charity Worker and Assistant Manager at a gym
Date of purchase:	December 2023
Development:	Canal Walk, Burnley
House type:	2-bedroom, semi-detached Cork
Purchase price:	£179,995
Mortgage:	£812 per month

After being together for 3 years, Imogen and Josh thought it was the perfect time to buy their first house together. After not knowing what they could afford, they stumbled across the Gleeson site Canal Walk and realised this development would be perfect for them.

The couple soon realised that there were lots offers available to them, particularly for first-time buyers. Imogen also was pleased to be acknowledged and rewarded for her work, by receiving a Key Worker grant.

Imogen and Josh love the location of their property on the development, with the spacious drive and garden, everything they lacked in the previous rented property. They wanted a blank canvas which they could decorate themselves, and the security that comes with buying a new build property.



# Our case studies

## Katherine

Buyer name:	Katherine, 56
Occupation:	Mortgage Specialist
Date of purchase:	December 2023
Development:	Hays Park, Halifax
House type:	3-bedroom, semi-detached Wexford
Purchase price:	£204,995
Mortgage:	£497 per month

Katherine previously lived in a large 4-bed townhouse, more suited to her family when she bought it back in 2010, but she came to the realisation that she didn't need all the space and hence wanted to downsize.

After visiting the Hays Park development, she instantly loved the location and the position of the plot she chose. She found that the Gleeson sales team were helpful, professional and always went above and beyond for her.

This is the fifth new build house Katherine has bought in her lifetime, and this is no doubt the best experience she has had. She has bought from a range of developers, but Gleeson come out on top when it comes to location, value for money and quality of fixtures and fittings.

Downsizing into a brand-new Gleeson home has been a refreshing experience for Katherine, starting with a blank canvas with no unexpected, costly surprises.



# Our case studies

## Kim

Buyer name:	Kim, 61
Occupation:	PA for a property consultant company
Date of purchase:	December 2023
Development:	The Pastures, Newark
House type:	2-bedroom, semi-detached Mayfield
Purchase price:	£164,995
Mortgage:	£539
Previous rent p/m:	£750 per month

After previously renting a 3-bed semi-detached home with its lease coming to an end, Kim started to search for another rental property. However, it was proving difficult to find somewhere that allowed pets for Kim and her 12-and-a-half-year-old rescue Staffordshire Bull Terrier called Toby.

At this point, she decided to look at new build homes, with a particular interest in Shared Ownership. Kim realised that Gleeson were offering better 50% ownership deals compared to other new builds in the area, plus she liked the look of the house including the decent sized garden.

Kim wasn't sure she would be able to get a mortgage at her age, so was pleasantly surprised when she found out she could.



# Our case studies

## Cam and Olivia

Buyer name:	Cam, 27 and Olivia, 23
Occupation:	Personal Trainer and Primary School Teacher
Date of purchase:	May 2024
Development:	Crown Garden, Mansfield
House type:	3-bedroom, detached Liffey
Purchase price:	£249,995
Mortgage:	£653 per month
Shared Ownership Rent:	£288 per month
Previous rent:	£1,050 per month

Cam and Olivia thought it would take them years to save enough for a house deposit and enter the property ladder, until they became aware of Shared Ownership schemes.

Their previous home which they were renting was a similar size to the Gleeson home they have bought, however their new home is detached and comes with a garage, all whilst paying less than they previously did on their rented home.

Cam and Olivia are so happy to have moved in, and can't wait to start this next chapter of their lives, with their dog Nala.



# Our case studies

## Megan and Jordan

Buyer name:	Megan, 26 and Jordan, 28
Occupation:	University Employee and Process Engineer
Date of purchase:	January 2024
Development:	Middlestone Meadows, Spennymore
House type:	3-bedroom, detached Renmore
Purchase price:	£189,995
Mortgage:	£1,091 per month

After both living with their parents, Megan and Jordan couldn't wait to start the next stage of their lives and buy their first home together.

After initially seeing a Kilkenny Gleeson Home, they decided to opt for a Renmore, because they loved the floor plan and how it looked from the front of the house. Also, they wanted a detached house with a garage which then Renmore was able to offer.

Megan and Jordan are absolutely loving being homeowners for the first time.

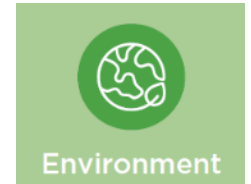
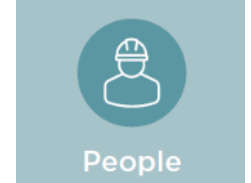




# Sustainability

# Sustainability

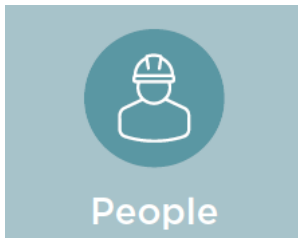
- Our commitment to sustainability is central to our mission of transforming lives by building affordable, quality homes for those who need them most
  - Submitted net zero targets for validation by SBTi
  - 5-star housebuilder – in all regions
  - Crime data shows Gleeson developments benefit high risk areas
  - “AIIR” rate reduced to below industry average
  - Increased usage of concrete bricks – 1/5<sup>th</sup> homes sold



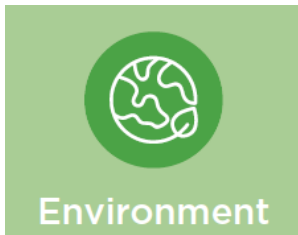
# Sustainability



- A couple working full time on the National Living Wage can afford a Gleeson Home on any of our developments
- 5-star build and service, in every region
- Crime data shows Gleeson developments benefit high risk areas



- 85% employee engagement score, with 83% saying they are proud to work for Gleeson
- Promoting women in construction
- Investors in People GOLD accreditation
- Leadership and management development pathways



- Submitted our SBTi targets for validation for near-term and net zero targets
- Installed Air Source Heat Pumps for all homes started after 15 June 2023
- Sold 338 (19%) homes built using concrete bricks or reconstituted stone
- Working with the Future Homes Hub and the Supply Chain Sustainability School

# Science Based Targets submission

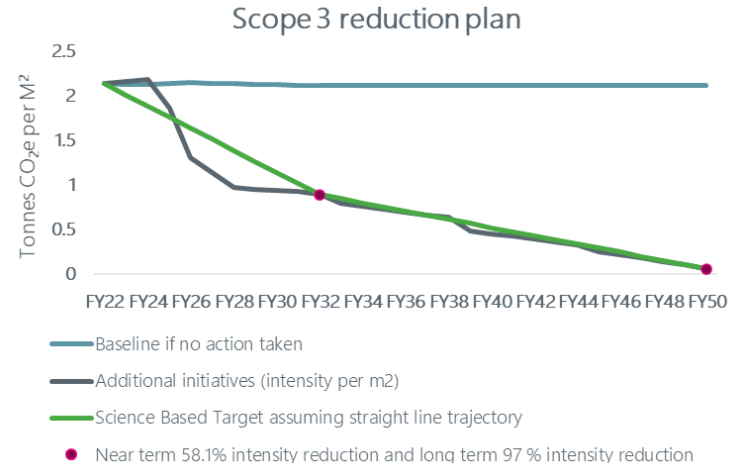
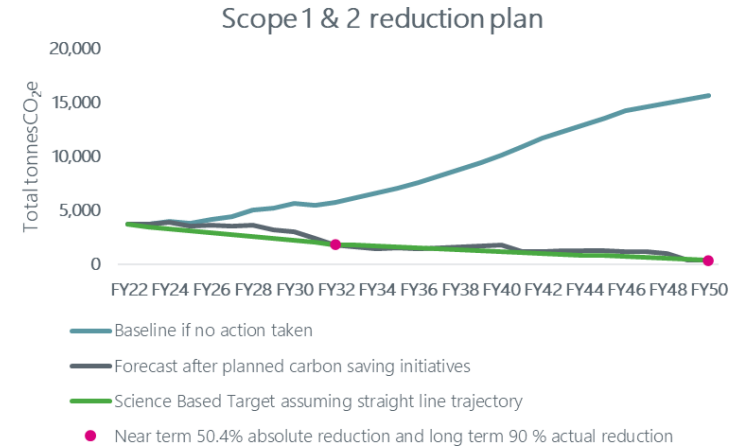
- Committed to set science based targets with the SBTi, which we submitted for validation in June 2024, for near-term and net zero targets across scopes 1, 2 & 3
- Validation process will commence in October 2024
- Important milestone for the Group, demonstrating on going commitment to direct climate action
- Ensures accuracy and transparency of our emissions inventory
- Appointed an external assurance provider and have gained limited assurance over our GHG data
- It has helped us to develop a stronger understanding of our carbon emissions generated from building homes and customers subsequently living in them
- We will publish our targets and plans for decarbonisation to meet near-term and net-zero emissions targets in 2025 once we have received validation



# Net zero targets

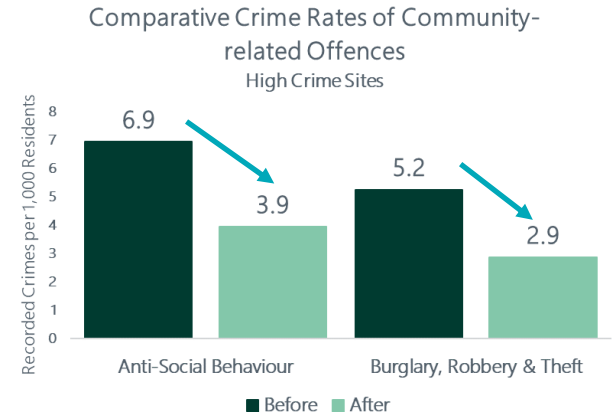
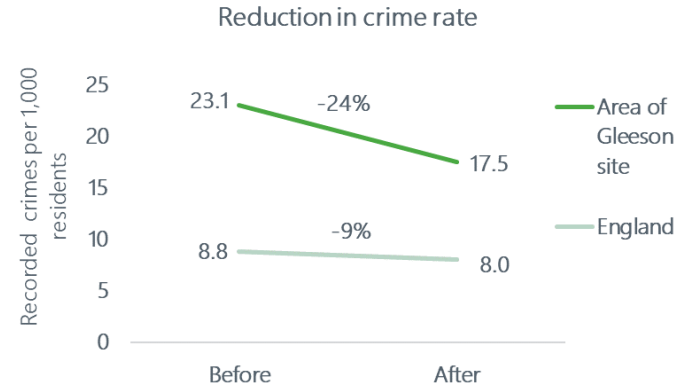
- By submitting our targets for validation by the SBTi we have committed to a net-zero target by 2050.
- Targets will be a combination of an absolute reduction for scope 1 and 2 and an intensity reduction for scope 3
- Air Source Heat Pumps (ASHPs) have been installed for all homes started after 15 June 2023 (44 installed in the year)
- Increased the use of concrete bricks (or reconstituted stone), which provide a significant reduction in embodied carbon compared to a clay brick. Homes sold built using concrete bricks:

FY23	14%
FY24	19%
FY25 (forecast)	25%



# Reducing crime in unsafe areas

- Our developments can help to reduce crime in the areas in which they're situated
- We have demonstrated the social value that building new homes in 'tough' areas can bring
- The overall crime rate in areas of Gleeson sites reduced by 15% more than the average reduction in crime across the country
- In areas of high crime the rates of anti-social behaviour reduced by 43% and rates of burglary, robbery and theft reduced by 44%



# Progress on sustainability targets

## Target

1. Health and safety incident rate (“AllR”) will be reduced to the industry average or lower in the year

2. Our employee engagement will be maintained in the upper quartile of all companies during 2023/24

3. Customer satisfaction: we will maintain our 5-star housebuilder status throughout 2023/24

4. Achieve Science Based Targets validation by 2025 for near-term and net-zero targets

## Outcome



AllR decreased to 166 and below industry average.



Employee engagement score of 85%, this places Gleeson in the upper decile of all companies surveyed.



Customer satisfaction score was 95%. Above 90% is equivalent to the HBF 5-star rating.



Targets were submitted in June 2024 and the validation process will commence in the first half of the financial year to June 2025.

\*Target on track to be met

# New sustainability targets

## Target

1. Health and safety incident rate (“AIIR”) will be lower than 220 (HBF average last three years)

2. Employee engagement will be maintained in the upper quartile of all companies

3. Customer satisfaction: maintain 5-star status (over 90% recommendation score)

4. Achieve Science Based Targets validation by 2025 for near term and net zero targets

## Key actions

Average SHE Site Inspection score of at least 85%, launch digital Contracts manager site SHE audit tool, quarterly regional supply chain H&S webinars

4 stars or above on Glassdoor ratings, voluntary staff turnover rate less than 22%, full review of gender and ethnic diversity

Defects closed within 30 days to above 80%, implement digital Quality Control Plot Book, deliver focused incentive scheme

Publish science-based roadmap, deliver energy and water efficiency awareness campaign, 250 hours of sustainability themed training, waste optimization programme

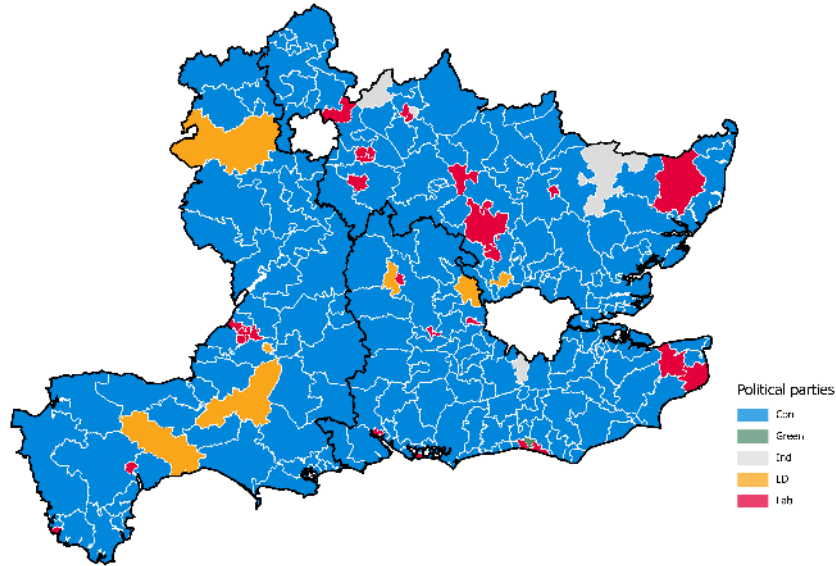


# Market Backdrop

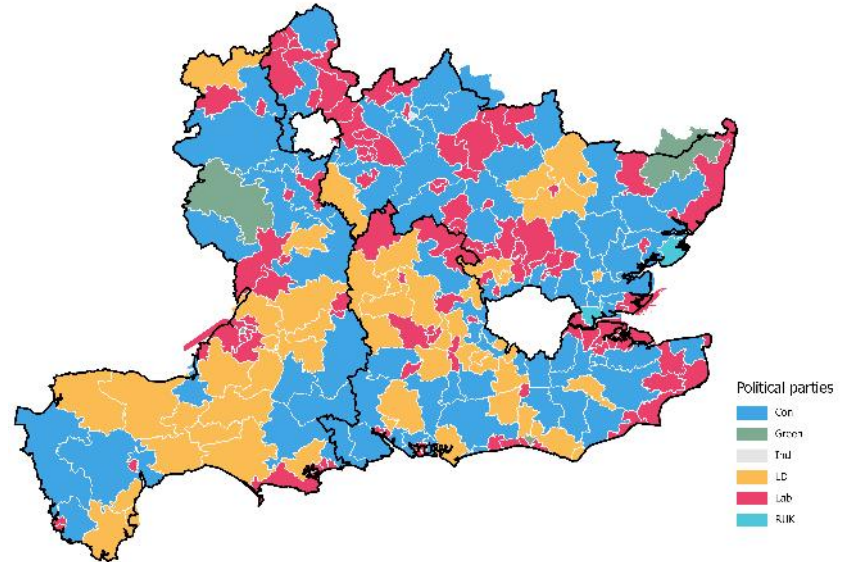
# 2024 General Election

## MP constituencies in the South of England

Pre 2024 Election

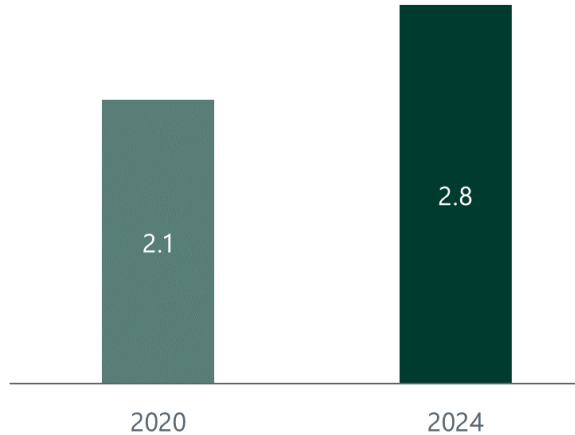


Post 2024 Election

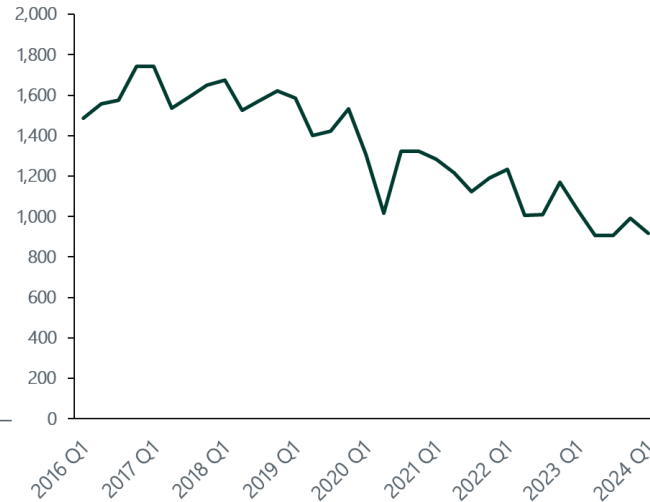


# Planning environment

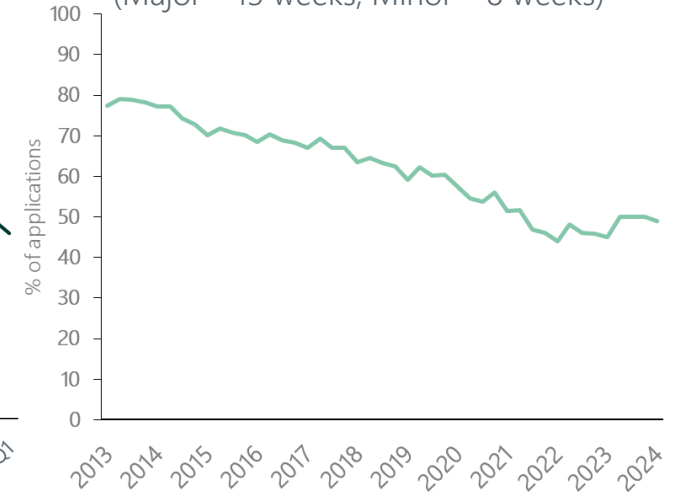
Length of planning approval period (years)



Major planning applications granted

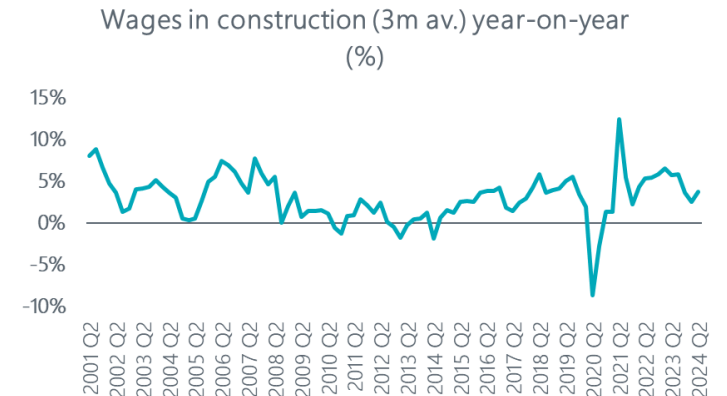
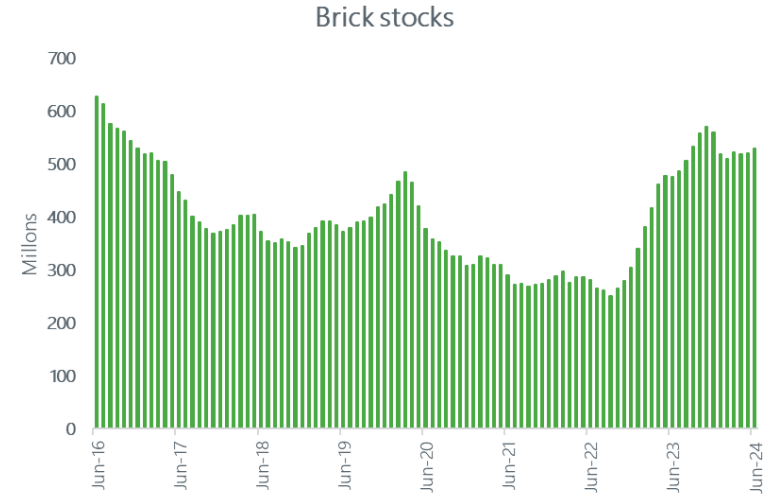


Applications decided within statutory time period (Major – 13 weeks, Minor – 8 weeks)



# Healthy supply chain

- Materials:
  - Availability high
  - Call-off periods & delivery times back to normal
  - Material costs down -4% in last year (bricks, lintels, windows)
- Labour:
  - Availability good
  - Labour rates up +4% in last year (groundworkers, roofers & joiners)

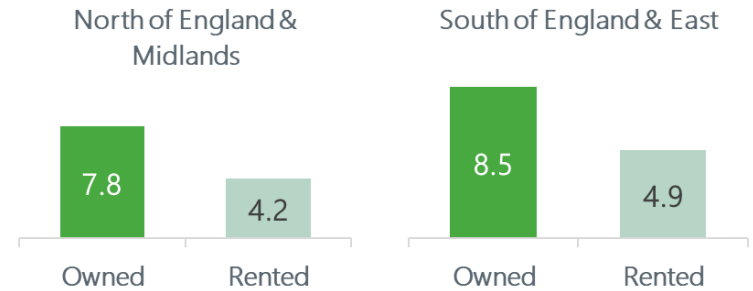


Source: Brick stocks Department for Business & Trade; EMP Construction Index

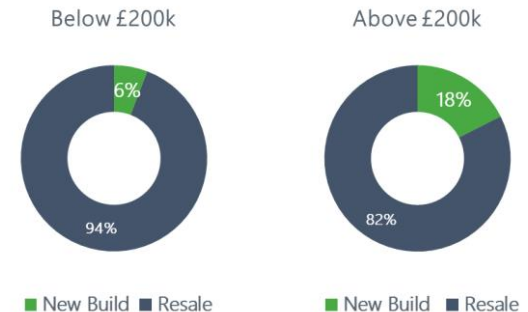
# Structural under-supply of quality, affordable homes

- Shortage of affordable homes in North of England and Midlands:
  - 4.2 million households renting
  - 0.6 million households on Local Authority waiting lists
  - 2.1 million adults living with parents
- Little choice of affordable new build homes in North of England and East Midlands
  - 6% of all homes below £200,000 are new build
  - 18% of all homes above £200,000 are new build
- Energy performance poor in most existing homes
  - 15% of English housing stock rated A or B (EPC)
  - 84% of new builds rated A or B (EPC)
  - 96% of Gleeson Homes rated A or B (EPC)

Household tenure  
(millions of households)



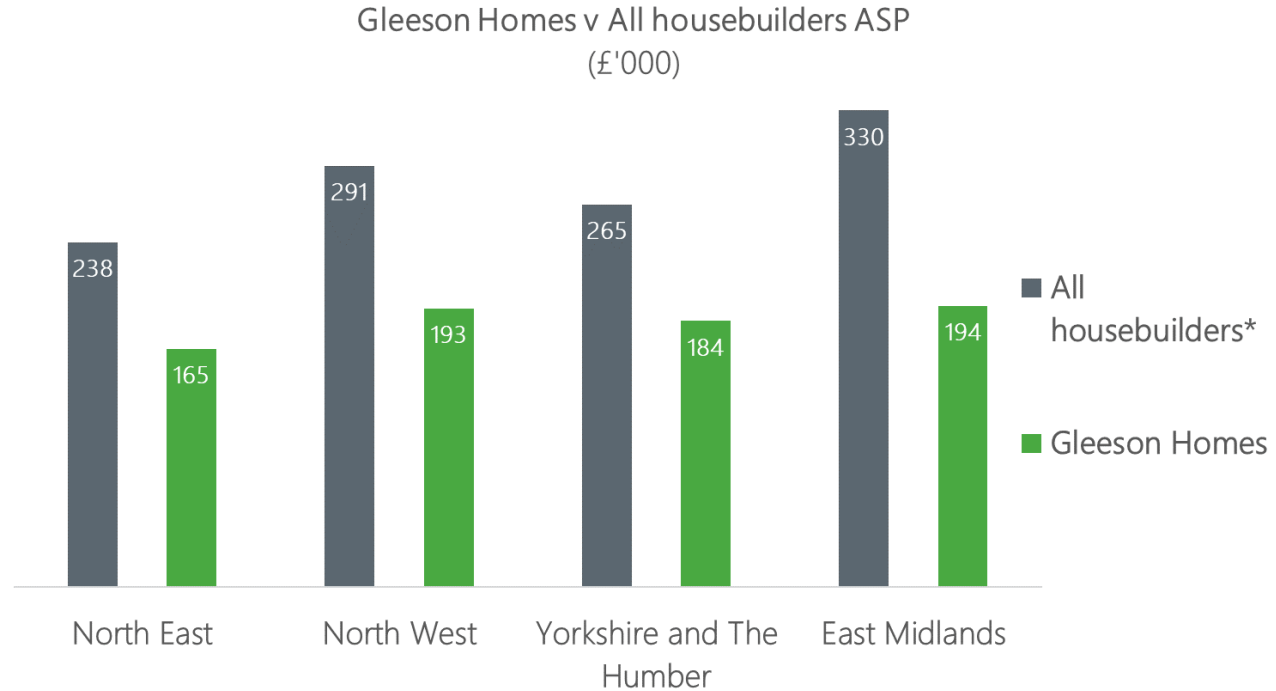
Supply of affordable new build homes  
% of all homes bought North of England & East Midlands



Source: ONS Table 109 Dwelling stock: by tenure and region, England, to 31 March 2022; Homes for sale Land Registry 2022; EPC ratings DLUHC (HM Land Registry confirmed that historic data refreshes due to a backlog of new title cases)

# Highly affordable

- Selling prices affordable to lower income households
- £371,500 average new build house price in England\*
- £281,000 average new build house prices in North & East Midlands\*
  - 51% higher than Gleeson's average selling price of £185,700
- £185,700 average Gleeson selling price in the North & East Midlands



\*Source: UK House Price Statistics for all new build dwellings for 12 months to April 2024, provided by UK House Price Index  
Average Gleeson selling price on completions in FY24  
House Prices per Sales Listing Data provided by OnTheMarket

# Mortgage rates and costs

- Buyers starting to adjust to higher cost of borrowing
- Alternative products available following end of HtB in March 2023
  - First Homes, Shared Ownership, Deposit Unlock, HtB Mortgage guarantee, Own New
- Mortgage market healthy, arrears low, availability high
  - 85% LTV – 1,218 first time buyer products
  - 90% LTV – 664 first time buyer products

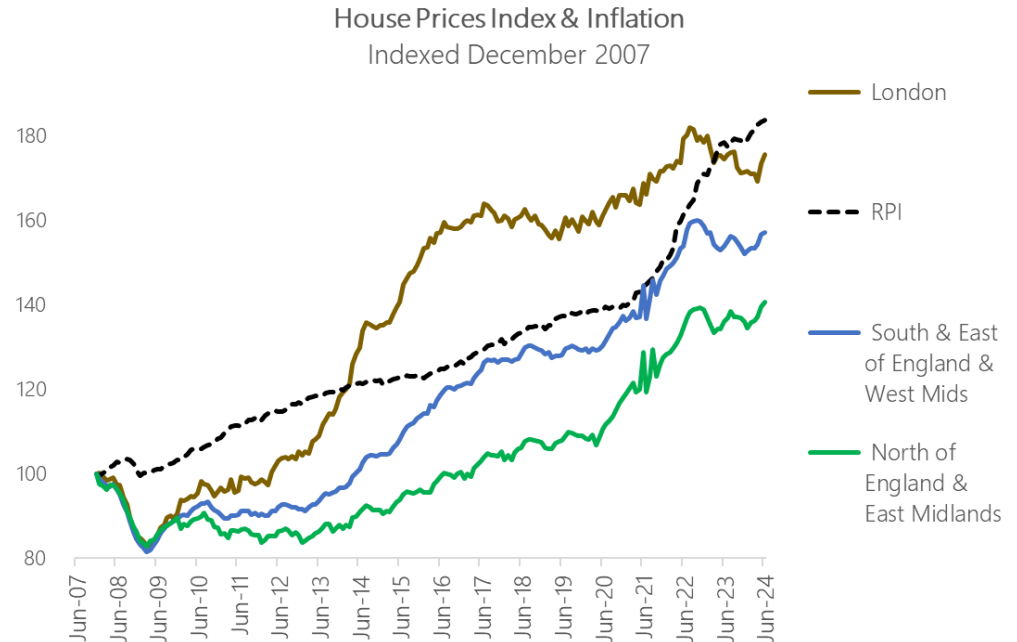
## Best available first-time-buyer mortgage rates:

	<u>5-yr fixed</u>	<u>2-yr fixed</u>	<u>Variable</u>
<b>85% LTV</b>	<b>4.3%</b>	<b>4.7%</b>	<b>7.1%</b>
<b>90% LTV</b>	<b>4.6%</b>	<b>5.2%</b>	<b>8.3%</b>

Source: Rightmove best available rates August 2024; moneyfactscompare.co.uk

# House prices – North of England isn't North London

- Price increases since 2007 vary by region:
  - London up 95%
  - North of England & East Midlands up 48%
  - Below rise in RPI of 84%
- Since 2014:
  - National Living Wage up 65%
  - Gleeson prices up 53%
- Since August 2022:
  - London house prices down 4%
  - North of England & East Midlands prices up 2%

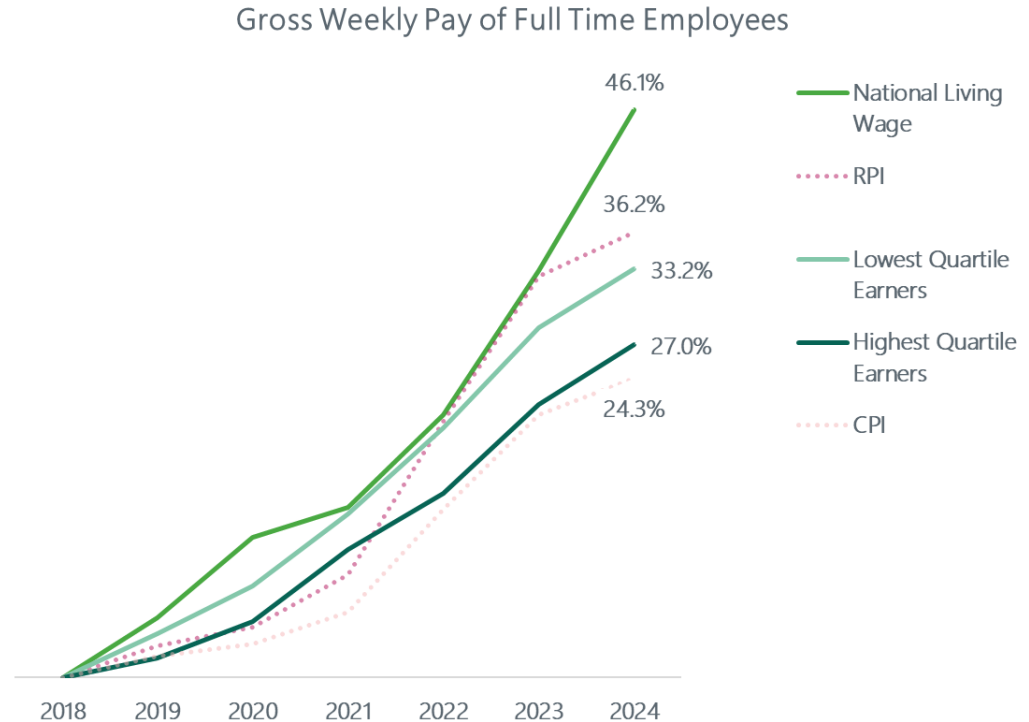


Source: ONS; UK House Price Index



# Income growth strongest for lowest earners

- Wage growth in the last 6 years has favoured lower earners
  - National Living Wage up 10% in real terms
- This in conjunction with reductions in interest rates and increased mortgage availability will drive confidence in the housing market
- In the North of England & Midlands, mortgage costs as a percentage of pay remain low relative to the rest of England (28% v 40% as at June 2024)

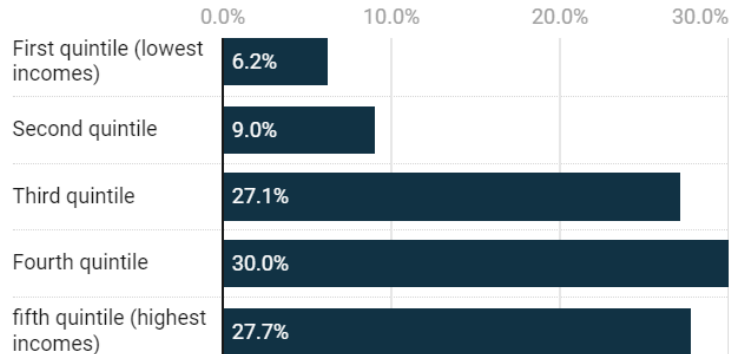


Source: ONS; Earnings and hours worked

# Home ownership by income and age

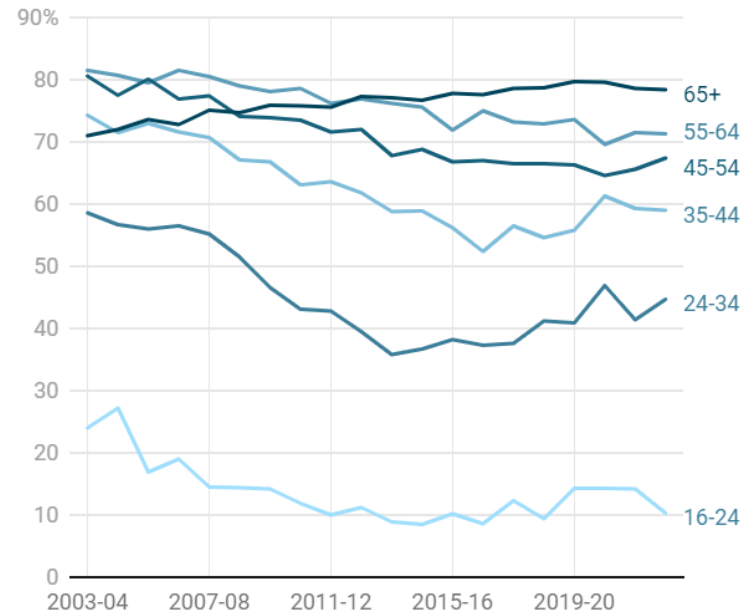
- 25-34 year olds, dropped to 44.7% from 58.6% in 2003-04
- Only 9% of 2<sup>nd</sup> quintile earners own their home
  - One third of second quintile earners (27%)

## Proportion of first-time buyers by income, England



Source: HBF & English Housing Survey

## % of different age groups that are homeowners, England



Source: HBF & English Housing Survey

# Thank you

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