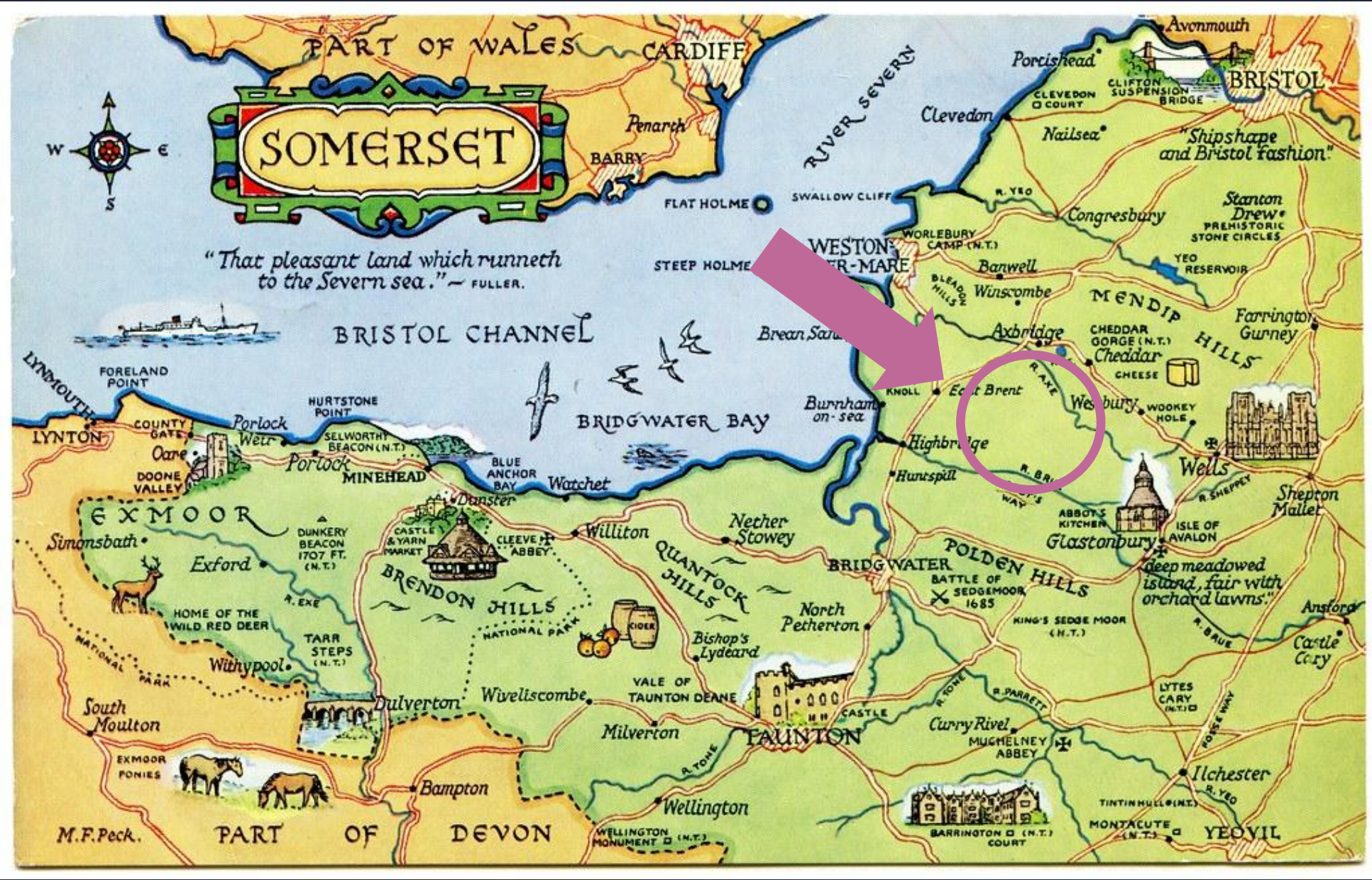


Lessons from a career in property

Lucian Cook, Head of Residential Research at Savills



Where it all began
for me

A 1980s education



Into the 1990s



Into the 1990s



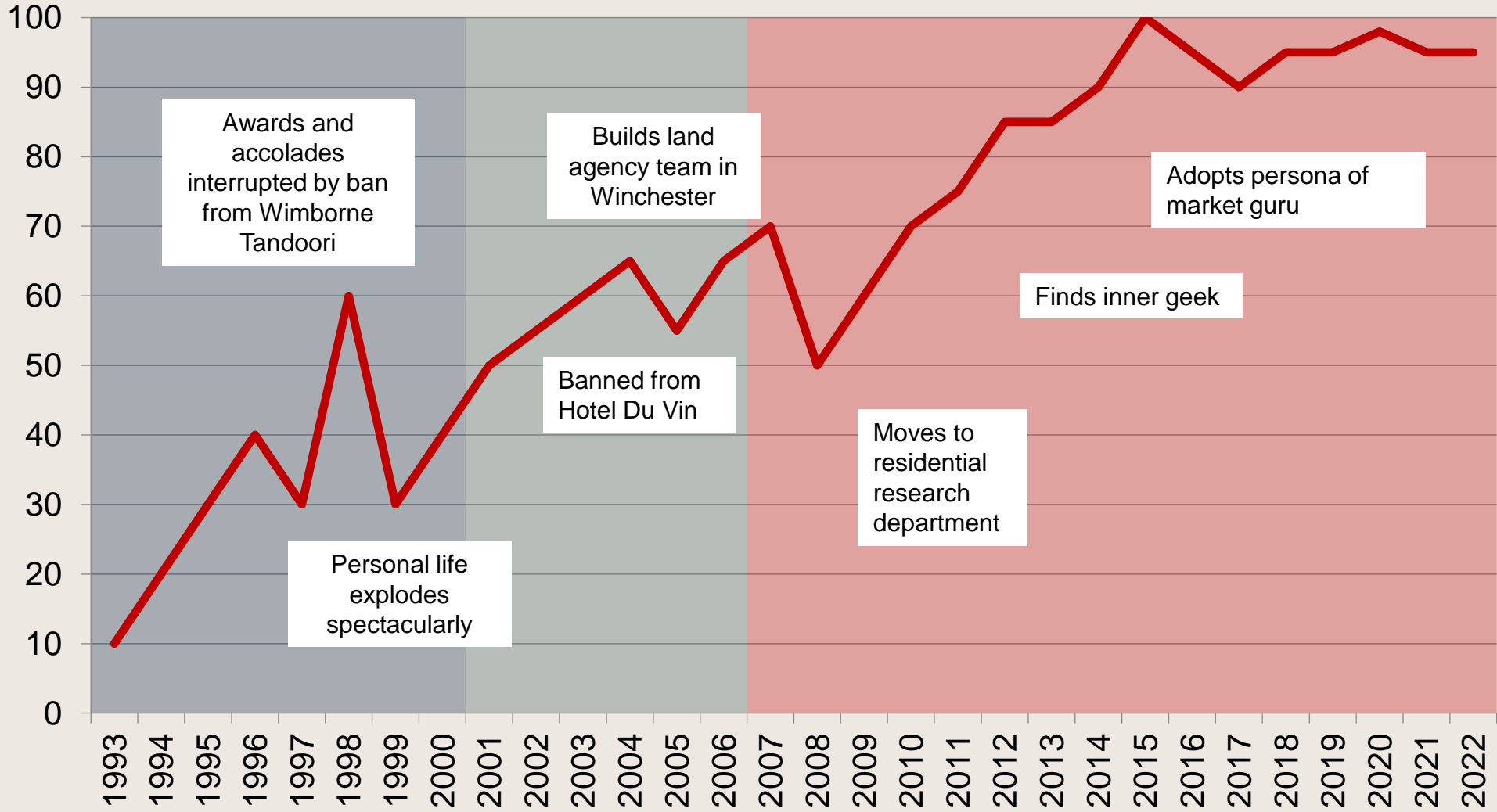
Keeping it real



By 1993 I had arrived....



My career timeline



Wimborne



I took with me

- three retained clients from my days at Wimborne that including a time hungry management

I inherited

- One colleague approaching retirement

I didn't inherit

- The previous team of 3 “partners” and an assistant.....
-who left an set up down the road in a converted chicken shed; and
- knew all of Hampshire; and
- took all of their clients with them

I couldn't compete on price but I could provide a better service

I needed to prove it to the head of office, the professional community and potential clients

I had to undertake specialist work outside of the patch

I had to use the Savills network

I needed a team around me who were driven
In time it would pay off.....

Winchester



The big break



Telephone Rings

ROSM "Lucian, its Rupert here."

LRC "Hello Rupert, to what do I owe the undoubted pleasure"

ROSM "I would like you to come over for coffee on Sunday morning"

LRC "Err....."

Uncomfortable silence

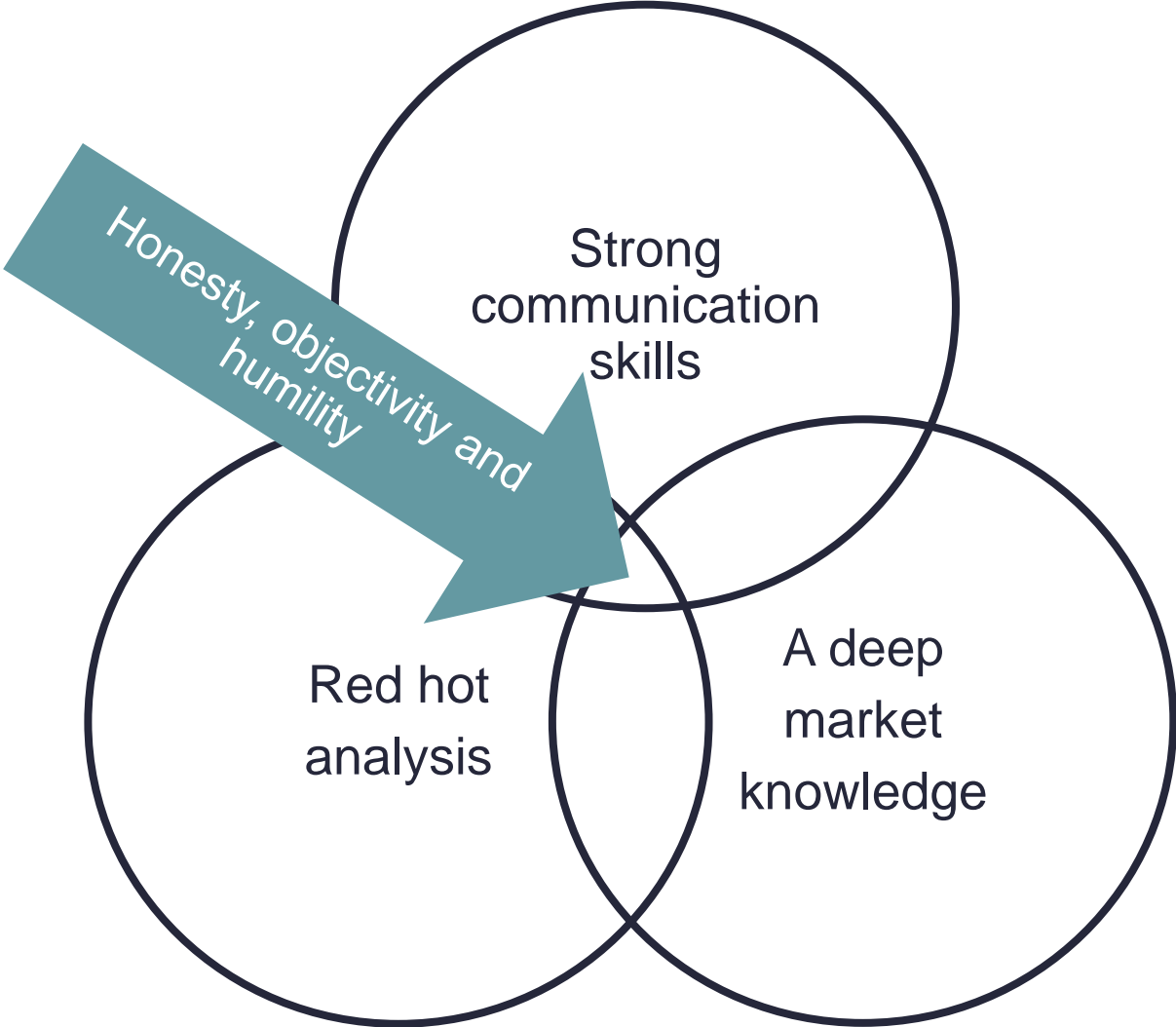
ROSM "I'd like to talk to you about taking on a more central role. Of course it's only a chat over a coffee and you don't have to accept the offer"

- We needed to reconnect with the press.
- We needed to reconnect with the business and our client base.
- We needed to make our research more accessible.
- It needed a strategy.
- I needed the business on board.
- I needed to get my hands dirty.
- In time it would pay off.....

London



Building a strategy and a team





Captaincy is 90 per cent luck and 10 per cent skill. But don't try it without that

— R

**IMPORTANT
DISCLAIMER**

I do not consider myself to be the Richie Benaud of the property research world

AZ QUOTE



People will work with you because you are brilliant at your job and they like you.

But it doesn't matter how good you are if they don't like you.

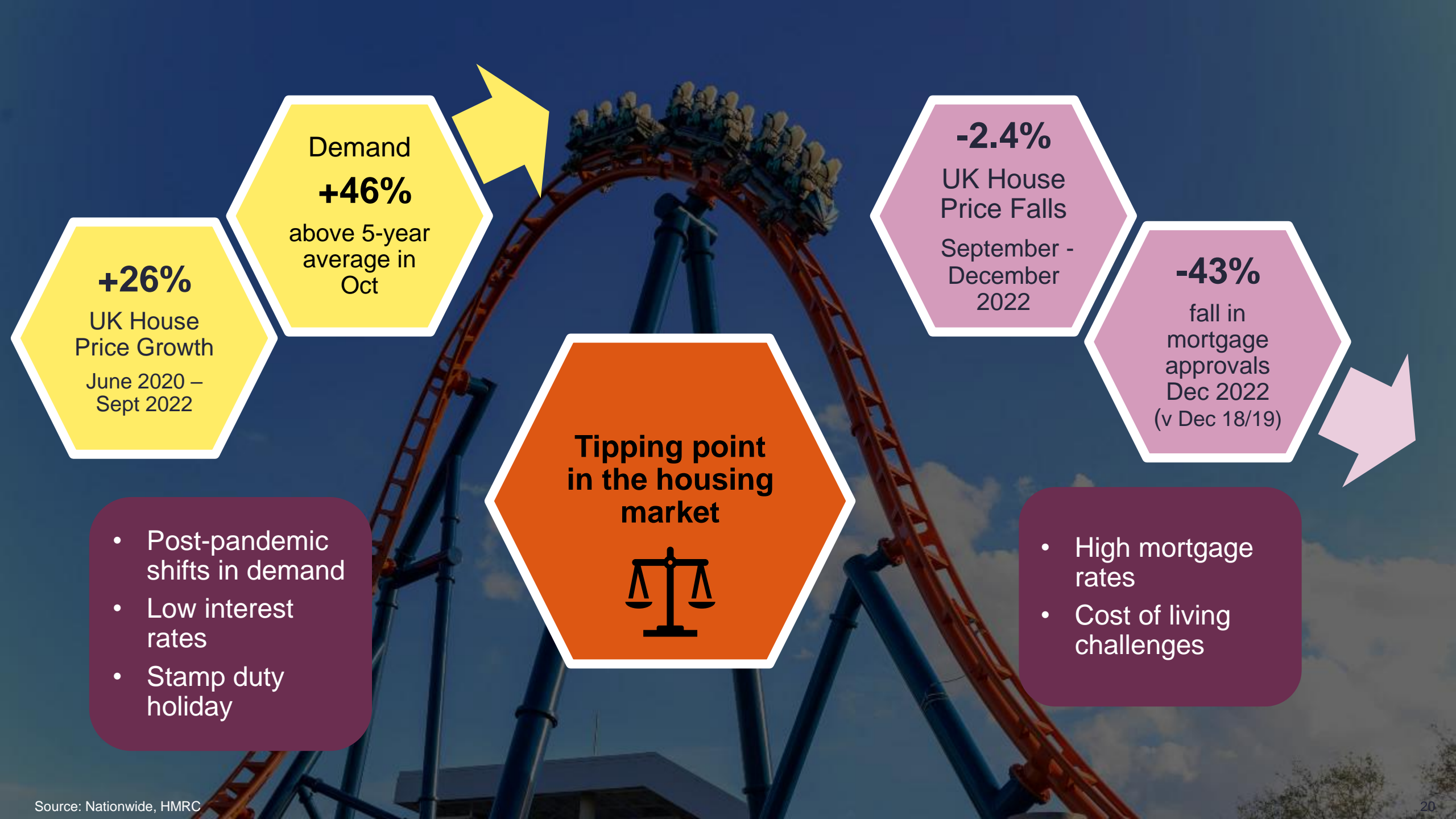
———— Lucian Cook ————

29 years and 9 months at Savills

Ultimately your career legacy will be determined by what you achieve but even more by the ongoing achievements of the team you have worked with and developed and with that in mind.....

Housing market update

Lydia McLaren, Associate, Residential Research at Savills
5 years and 6 months at Savills



+26%
UK House
Price Growth
June 2020 –
Sept 2022

Demand
+46%
above 5-year
average in
Oct

**Tipping point
in the housing
market**



-2.4%
UK House
Price Falls
September -
December
2022

-43%
fall in
mortgage
approvals
Dec 2022
(v Dec 18/19)

- Post-pandemic shifts in demand
- Low interest rates
- Stamp duty holiday

- High mortgage rates
- Cost of living challenges

The supply and demand imbalance has reversed...

RICS Housing Market Survey


■ Difference — New Buyer Enquires — New Instructions

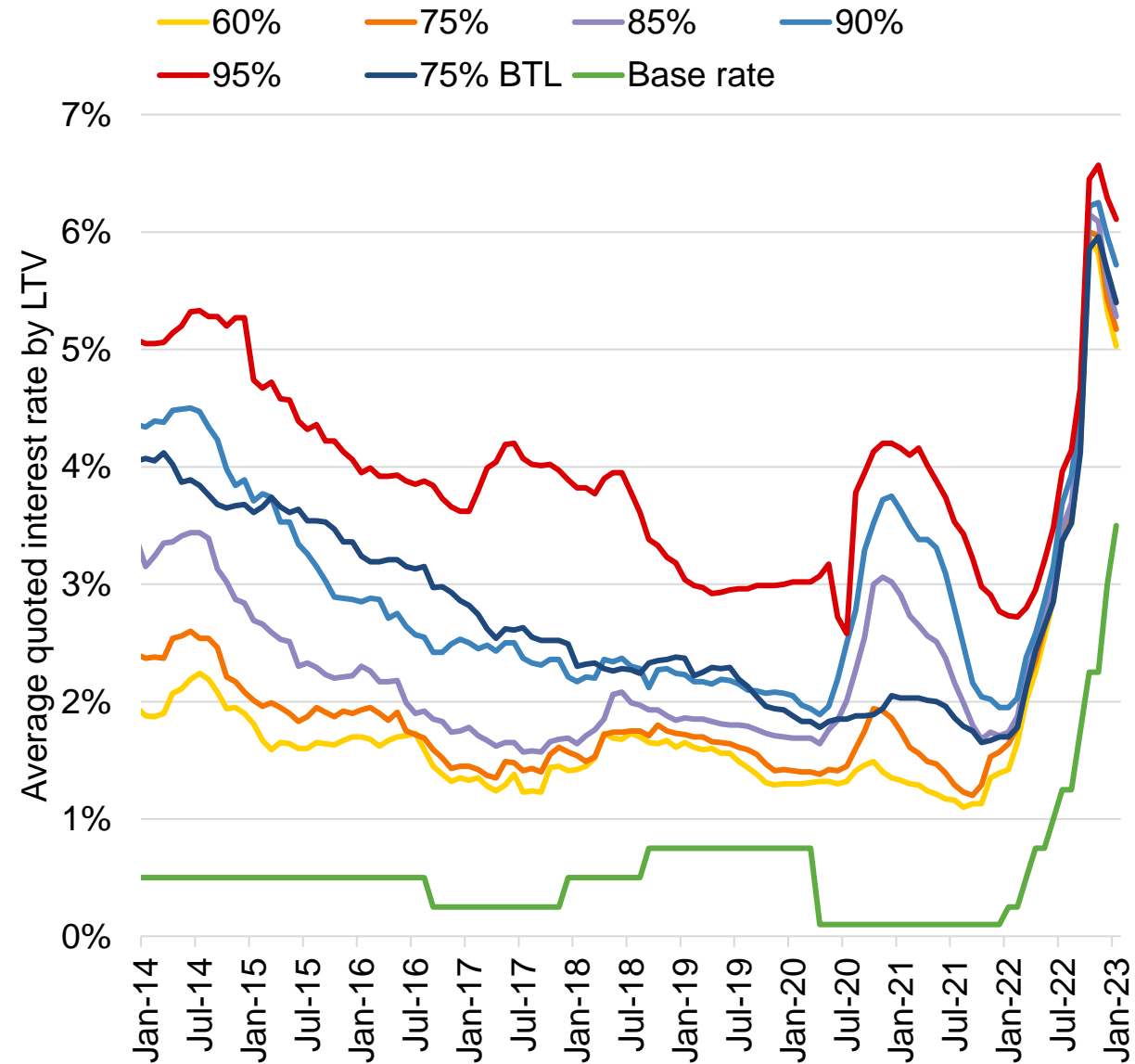


Spiking rates make it challenging in terms of affordability

Monthly costs based on:

- 75% LTV,
- 2 year fix
- 25 year term

	Bank base rate	Mortgage rate	£500k
Nov '21	0.1%	1.5%	£1,500
Nov '22	3.0%	5.9%	£2,400
Jan '23	3.5%	5.2% 	£2,255



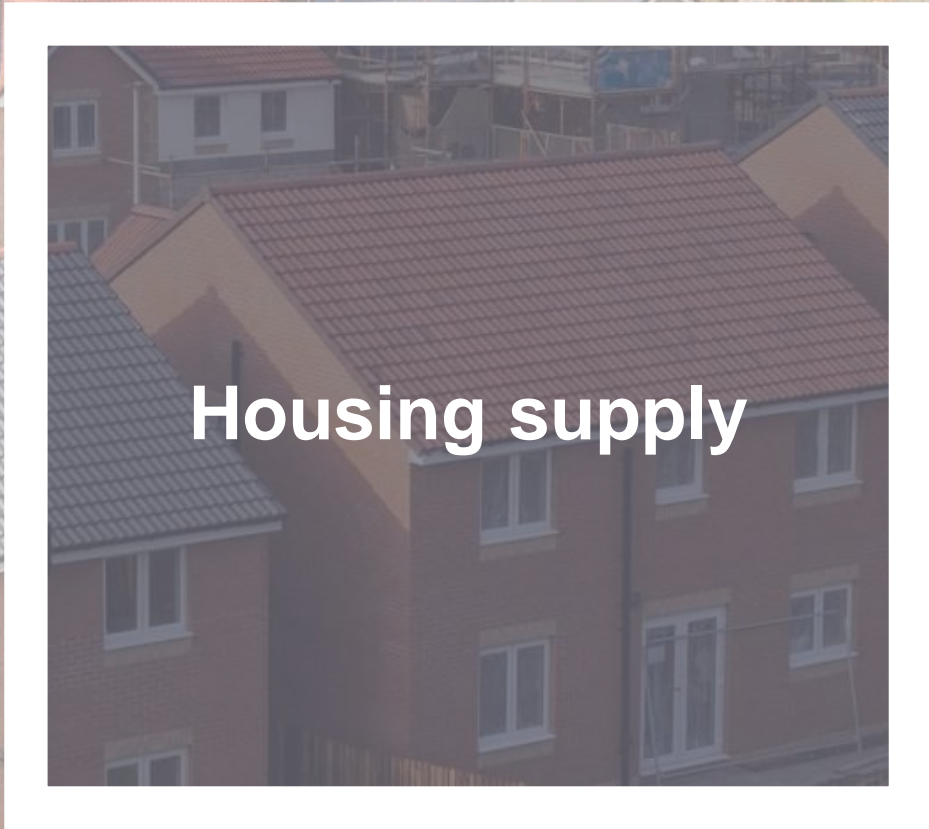
Our five-year outlook

	2023	2024	2025	2026	2027	5-year
UK mainstream house prices						
	-10.0%					
Transaction volumes	870,000					

Our mainstream forecasts by region

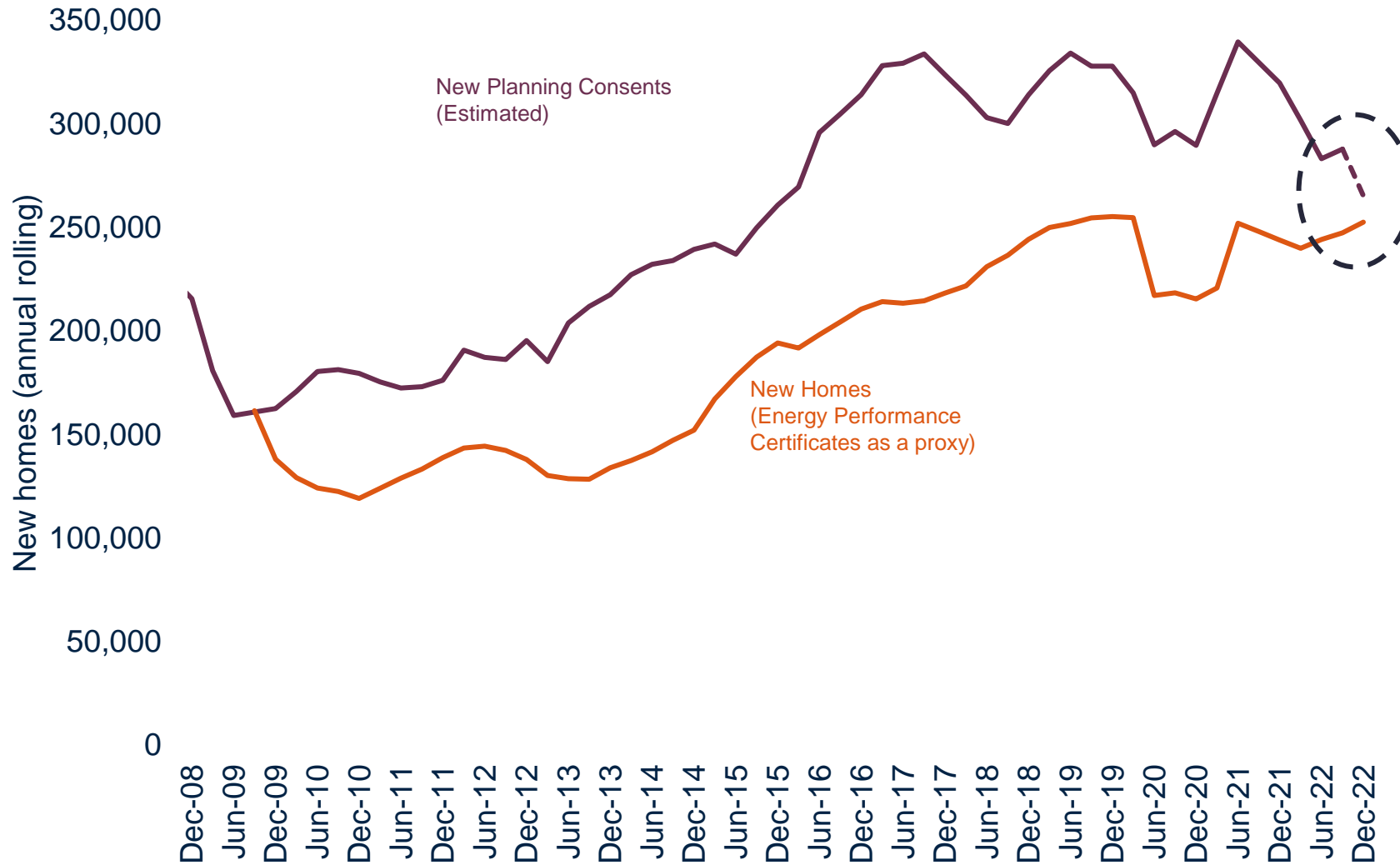
■ 2023 ■ 2024 - 2027 ● 2023-2027





Housing supply

The gap between housing completions and planning consents is increasingly closing



252,500 homes completed in the last 12 months

265,000 homes granted consent in 2022

... slowing planning, sales rates and activity means this will only get more pronounced

What happens to new build transaction volumes?

145k
new homes
sales in 2021/22

90k
new homes
sales in 2023

110k
new homes
sales in 2025

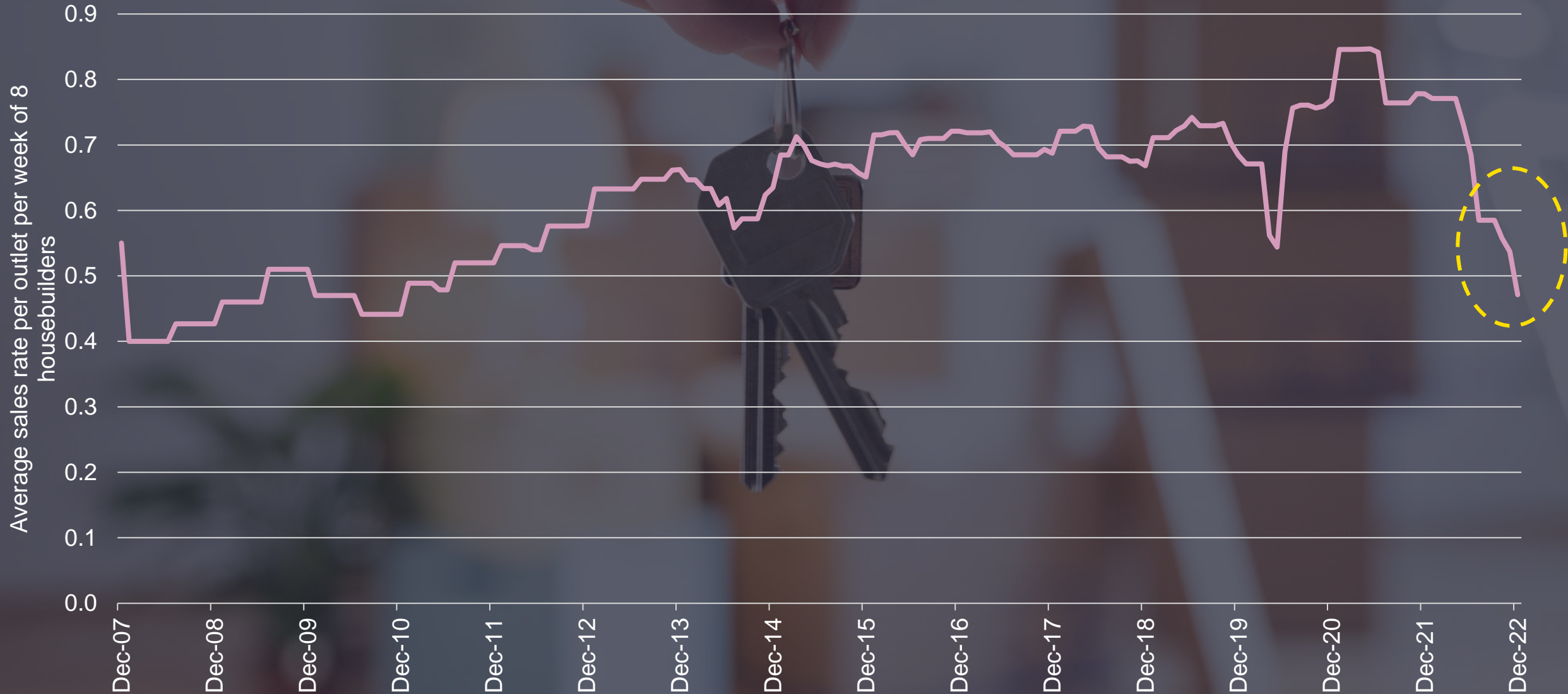
Lower
transaction
market

New build share
of market back
to 10%

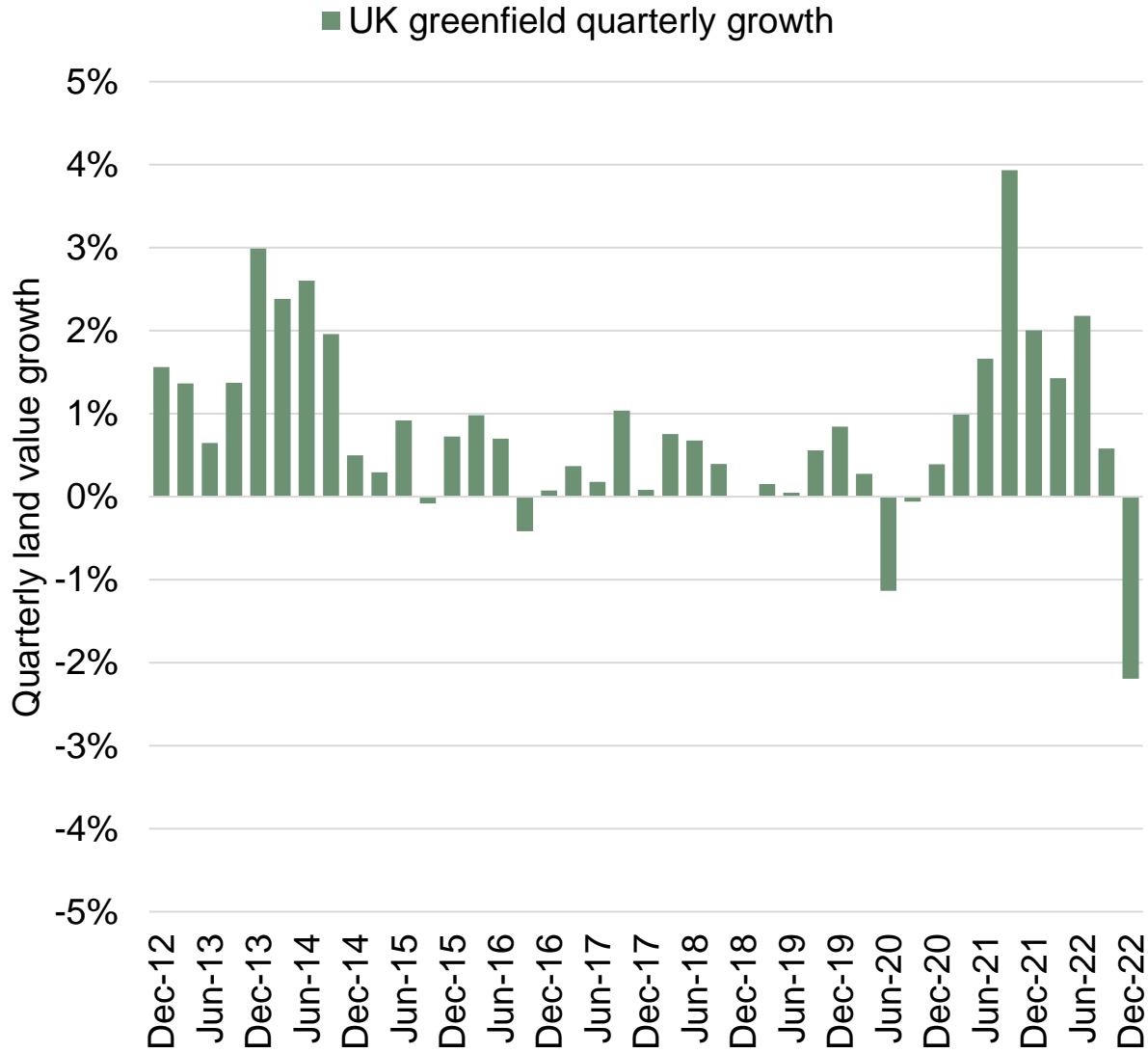
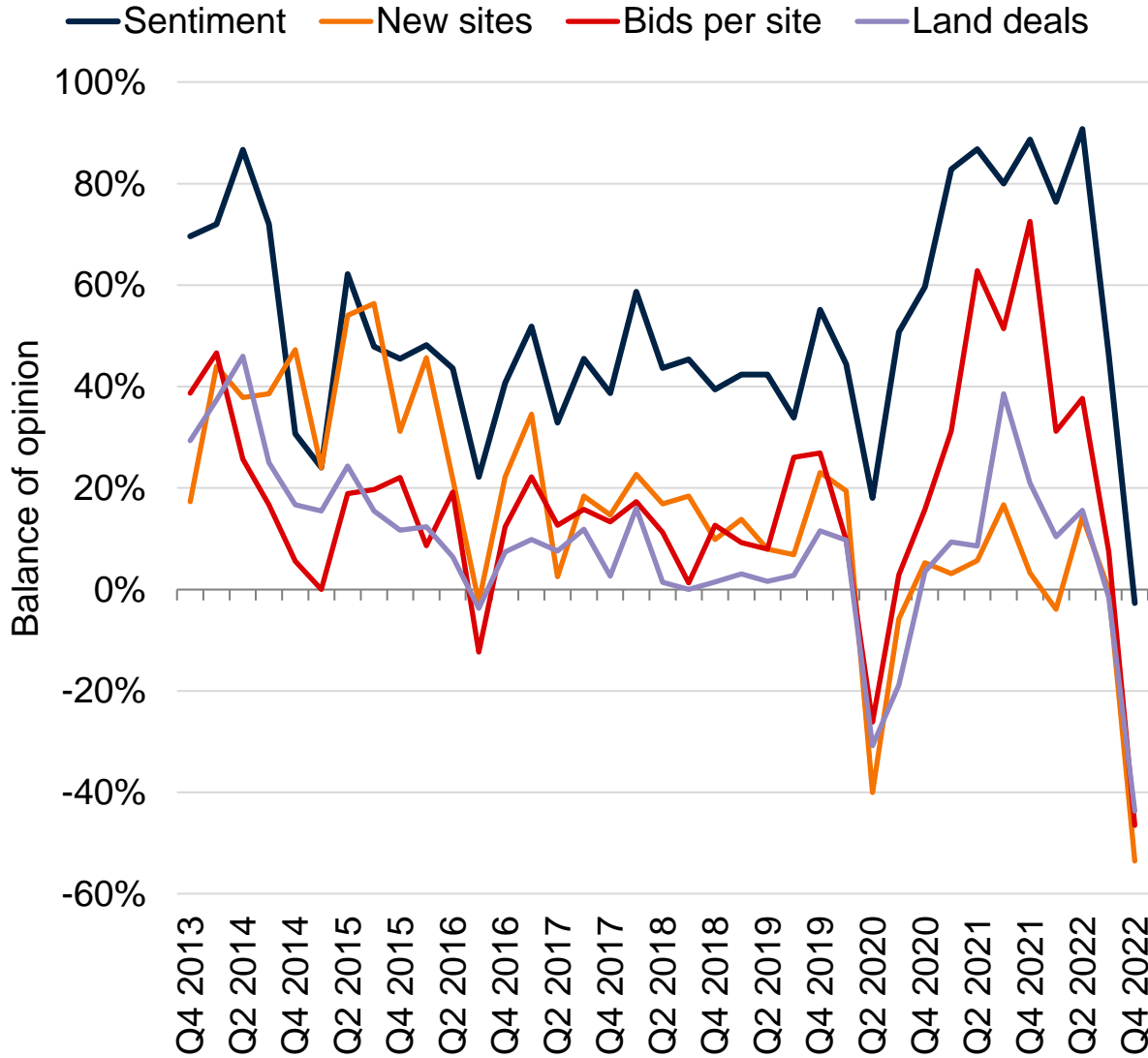
Housing led
development
easy to slow
down, but for
how long?

What will help
fill the demand
gap post Help to
Buy?

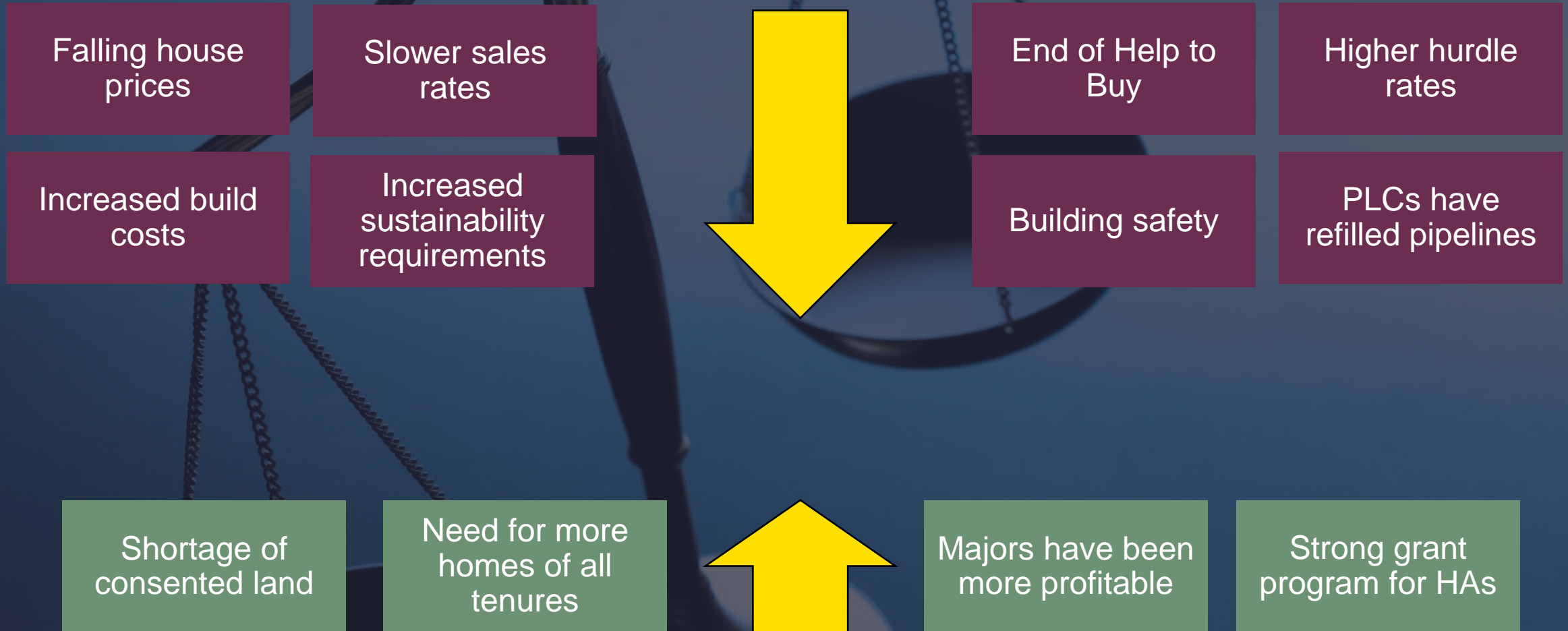
Sales rates slowed before Christmas – but January uptick in activity



Slower land market in Q4 2022 after a period of significant strength



Factors affecting land values



In summary... challenges to meet



Enhanced building standards and cladding taxes



End of Help to Buy and weaker purchasing power



Biodiversity Net Gain



Nutrient neutrality



Water neutrality

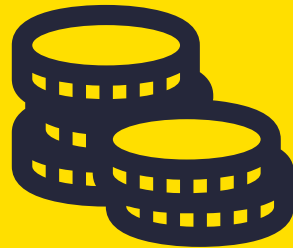


Grid capacity

But there are key opportunities



There remains a need for more homes across all tenures



New homes are cheaper to run for homeowners



Potential for more Build to Rent



Potential for more Affordable homes (through Partnerships)



Better access to land (less competition)



savills

Thank you

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