Buying land, building homes

Centenary Place, Southend-on-Sea
30 Retirement Living apartments

Specialists in adding value to land

Previous use: Dairy
Buying land, building homes

Contents

A word from our CEO .................................................. Page 4
Our history and heritage ........................................ Page 5
Investment plans to meet demand .......................... Page 6
Sites acquired in 2016 ................................................ Page 8
Getting the best return for vendors ....................... Page 10
Hitting the ground running with speedy approvals .... Page 11
Meeting the challenge .............................................. Page 13
Housing for homeowners and communities ............. Page 14
Investment, independence and environment .......... Page 15
Our products: Retirement Living ............................. Page 16
Our products: Retirement Living Plus ....................... Page 18
Our products: Lifestyle Living ................................ Page 20
McCarthy & Stone UK Regions ................................ Page 22

Previous use: redundant care home
Our history and heritage

In 1977, McCarthy & Stone laid the bricks for its first retirement development in the small town of New Milton in the New Forest, Hampshire.

Fast-forward to the present day and we have since sold over 51,000 individual apartments in over 1,100 different schemes throughout the UK. Our pioneering success has made us the country’s leading retirement housebuilder.

We now provide circa 70 per cent of all owner-occupied retirement and extra care housing in the UK, creating high-quality homes of character that meet our customers’ needs and aspirations.

In 2016 we continued to strengthen our balance sheet and our leading position in the retirement market by acquiring 65 sites (229 in three years); increasing our revenue by 31 per cent to £636 million and increasing our plot sales to 2,299.

The company is now looking to grow further and develop more than 3,000 units in the medium term in order to address the housing requirements of the increasing number of older people.

McCarthy & Stone is in a unique position as the only housebuilder capable of meeting the nationwide need for high-quality, specialist housing for older people who are looking to move to homes more suited to their lifestyle and needs in retirement.

A word from our CEO

In the decades we’ve been building homes around the UK, we have shaken hands with thousands of different people and organisations to secure the land we need.

Over that time, we’ve developed a close network of contacts that help our customers want — but also what is expected by land owners and other partners with whom we collaborate.

Professionalism, efficiency, expertise — these are the qualities we’ve nurtured so that when we agree to buy a site we can perform a swift turnaround with optimum return for vendors.

That ability to react now more than ever as we work to help meet the growing demand for a suitable supply of homes ready for our country’s ageing population. In November 2015 McCarthy & Stone was successfully admitted to the main market of the London Stock Exchange to raise further capital to support its growth strategy and we are looking to invest £2.5 billion in land and contributions over the next four years in order to meet our objective of doubling the size of the business.

We have the right teams in place across each of our nine regions to unlock the potential hidden in all sorts of land propositions. We’re prepared to face every kind of challenge and are experts in achieving optimum planning consents on a timely basis.

McCarthy & Stone has come a long way, but we’re not going to rest on our laurels. We want to buy more land, build more developments and delight more customers.

I hope this brochure gives you a taste of the professionalism with which McCarthy & Stone goes about its business. We want to show the rewards on offer for both for vendors and the communities where we build.

We look forward to working with you,

Clive Fenton
Chief Executive, McCarthy & Stone
To secure the land to meet our targets, we’re casting the net far and wide. Our nine regional businesses are open to offers up and down Great Britain in England, Wales and Scotland. We consider every type of land deal, whether unconditional purchase, conditional contract, or option agreement. Examples of sites are local authority surplus car parks or garages, car dealerships, care homes, grounds, garden centres, residential assemblies, depots and hotels.

Despite market uncertainties surrounding the European Referendum, we still acquired 65 sites in 2016, and we are looking to purchase a further 70+ this year and we have a 70-strong land and planning team across the Group to ensure we achieve this target.

To meet the growing housing needs of the older population, we need to expand our business. We have allocated £2.5 billion for land & construction over 4 years.

### Investment plans to meet demand

![Figure showing investment plans](image)

**Location:** Minehead, Somerset  
**Former use:** House on a large plot  
**Development:** 25 Retirement Living apartments  
**The story:** After a conditional deal was signed, planning approval was secured on this sensitive site at the first attempt by submitting high-quality proposals that blended sympathetically with the leafy neighbourhood.

### Land exchanges

<table>
<thead>
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<th>Year</th>
<th>2014</th>
<th>2015</th>
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<td>74</td>
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We offer generous commissions for site introductions and we reward repeat partners.

### Case Study

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**Beechfield Court, Minehead**
Getting the best return for vendors

Throughout the design, planning and construction process, we endeavour to achieve the best results for our land partners. For example, the specialist nature of some of our developments means they fall within the C2 Planning Use Class of residential institution. This generally means affordable housing contributions are not required.

Increasingly, we are working with local planning authorities to adopt reduced or no CIL charges for the type of development that we deliver, and over 75 local authorities now have an existing or emerging nil or reduced CIL rate for Retirement housing and/or Retirement Living Plus Extra Care housing. This again adds value for our land partners.

.reducing the need for parking spaces and freeing up more land for homes. The more homes we can provide on a site, the better the returns, and the more we meet local housing needs.

Putting simply, we’re a national specialist housebuilder with a strong reputation built by knowledgeable teams of professionals. The results are land deals made swiftly, efficiently and for the maximum price.

Case Study

Location: Tenby, Pembrokeshire
Former use: Cinema and hotel
Development: 36 Retirement Living apartments
The story: Owned by a building company, we acquired the site unconditionally as it benefited from an existing planning consent. This enviable location enjoys impressive views over the harbour and out to sea.

Case Study

Location: Willesden Green, London
Former use: Council offices
Development: 37 Retirement Living apartments
Deed to permission: 10 months – first-time approval

The story: When the building was deemed surplus to requirements we were able to provide best value in terms of the economic and social benefits related to retirement housing and the site was bought in a conditional deal with the London Borough of Brent.

Hitting the ground running with speedy approvals

We know landowners want decisive and reliable agreements that are quick to turn around.

We normally commit to move from exchanging contracts to submitting a planning application within three months.

With regional offices covering England, Wales and Scotland, we have the ability to act speedily thanks to the specialist experience and expertise of our in-house land, design and planning teams.

We have strong and lasting relationships with our expert partners, including solicitors, architects, highways consultants and urban designers.

We are proud of our track record in securing timely planning consents, and this is set to improve even further as the government brings forward planning policies that respond positively and pro-actively to the housing implications of our ageing population.

If we do fail to secure first time planning permission we have an expert team of professionals with an enviable track record in pursuing planning appeals - a success rate that significantly surpasses the industry average.

Paxton Court, Tenby

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Meeting the challenge

Some sites can be more difficult to progress than others. But with the right approach even the most challenging plots can be guided through the planning process to achieve a happy result for the vendor, the wider community including neighbours and the local authority, and ultimately those in need of specialist retirement accommodation, our customers.

We combine our expertise in design and negotiation with the skills of our highly-trusted partners to seek to solve issues and bring plans to fruition without being held up by lengthy planning appeals.

As well as traditional, face-to-face consultation methods, we also use digital and social media to engage with journalists, stakeholders and the public to address concerns and make the case for positive development. It’s an ability based on decades of experience and knowledge, and it’s why we can approach sites that others might consider too tough to unlock.

Case Study

Location: Carlyon Bay, Cornwall (2.5 miles from St Austell, local shops nearby)

Former use: Hotel and grounds

Development: 32 Lifestyle Living Apartments

The story: The hotel was introduced to us by a long-standing agent partner and in October 2014 we signed a 24-month option agreement with the site owner. This gave us time to address the potential planning issues of the loss of hotel and employment, and arrive at the quality of design required for such a sensitive location.

Careful engagement early on with the media, stakeholders and the community meant the significant benefits of providing specialist retirement housing could be balanced against any concerns. In fact, combining social media and traditional consultation methods inspired both support and buyer interest. Plans for the 1.7 acre site were successfully approved under delegated powers within 11 months of submission, without the need to go to committee or appeal.
Housing for homeowners and communities

Building more retirement housing isn’t just about meeting market demand, it’s about providing the right kinds of homes our society needs as it ages.

People aged 65 and over are growing in number but, in particular, people aged 85 and over will grow from 1.5 million in 2014 to 3.5 million in 2033 – a dramatic rise of 133 per cent. The requirement is intensifying, but to date the market has only supplied circa 141,000 retirement properties for ownership.

According to the think tank Demos, 58 per cent of homeowners aged 60 or over are interested in moving home, but many feel restricted by the lack of housing that suits them. Our developments offer that next step and at the same time free up the property chain for families and, in turn, first-time buyers.

Our homeowners feel the benefits of warmer, energy-efficient homes where they can call on help, if required. Also on hand are the facilities, community and amenities that they need to enjoy a healthy later life free from worry.

This long-term commitment to our developments and the homeowners who live there is best illustrated through our management companies. Through their assistance, we continue our relationship with our customers and maintain our reputation as the UK’s leading retirement housebuilder.

The social and economic benefits of McCarthy & Stone’s activities ripple out beyond our garden walls.

During construction of our most popular style of home, Retirement Living, each development injects on average £8.64 million into the local economy through jobs and materials, and £133,000 in New Homes Bonus payments.

These same schemes average £670,000 per year in local spending by residents, and £69,000 of council tax for local facilities.

And 83 per cent of our customers believe their homes enable them to be independent for longer – potentially saving £30,000 for every year of delayed entry to residential care.

Our sustainable business model also brings environmental benefits. By housing on centrally located brownfield sites we avoid shrinking our countryside into smaller, less efficient homes and, over half of our customers report significantly lower heating bills and, with 80 per cent of homeowners using local shops almost daily or often, emissions from long journeys are avoided.

These statistics were sourced from the Local Area Economic Impact Assessment prepared by the Institute of Public Care at Oxford Brookes University using a sample of homeowners in March 2014, researched by Professor Michael Ball at the University of Reading in 2011 and the ‘A Better Life Report’ by Roger Tym & Partners in 2004.
Our Retirement Living model is our most popular style of development and makes up circa 65 per cent of volume.

Retirement Living provides high-quality apartments exclusively for those aged 60 and over, offering security, independence and companionship among like-minded people.

Apartments feature one or two bedrooms, spacious lounges, kitchens, extra storage, en-suite facilities and often private outside space in the form of balconies, terraces or patios. In addition, there are extensive shared areas including landscaped grounds, attractive communal lounges and guest suites to accommodate visiting family and friends.

Our site-based House Managers, who are available to offer help and assistance, are responsible for the day-to-day running of each development.

Case Study

Location: Kirkby Lonsdale, Cumbria
Former use: Overgrown waste land
Development: 36 Retirement Living apartments

The story: The previous application for the site by another developer had failed but after agreeing a conditional sale with the private vendors, McCarthy & Stone secured permission at its first attempt. The development then won ‘Best Retirement Scheme 2014’ in the UK Property Awards and was McCarthy & Stone’s first fully HAPPI scheme.

HAPPI: Housing our Ageing Population – Panel for Innovation report 2009 by the Homes and Communities Agency

Within half a mile/easy walk of shops for day-to-day needs
Good public transport links
Land of 0.5 to 1.5 acres* (0.2 to 0.6 hectares)
Centrally located, typically brownfield land
Close to amenities with level access
Scope for three-storey (or higher) development

* To maximise land values we do build Retirement living and Assisted Living schemes together on even larger sites
Retirement Living Plus (Extra Care) makes up circa 30 per cent of volume and is a unique offering in the market place. Retirement Living Plus is designed exclusively for customers aged 70 and over. The product includes additional features to our Retirement Living range, including a personal care service, a full table-service restaurant with meals prepared freshly on-site, plus a function room and secure mobility scooter store room. The Estates Management team is on-hand 24 hours a day to provide care and support as well as facilitate social events and activities. Retirement Living Plus is an attractive alternative for those seeking an additional level of help but who wish to retain independent home ownership and do not want to move into residential care.

Features:
- Exclusively for people aged 70 and above
- One and two-bedroom apartments
- 24-hour on-site staff delivering flexible care packages
- Domestic assistance
- Wheelchair accessible throughout
- Restaurant with on-site kitchen
- Care Quality Commission-registered

Site criteria:
- Minimum of 1 acre (0.4 hectares) and up to 2 acres (0.8 hectares) *
- Identified need for Extra Care provision
- Within 1 mile of shops for day-to-day needs
- Good public transport links
- Centrally located, typically brownfield land
- Close to amenities with level access
- Scope for three-storey (or higher) development

* To maximise land values we do build Retirement Living and Retirement Living Plus schemes together on even/larger sites.

Case Study

Location: Wallington, London Borough of Sutton
Former use: Magistrates’ Court
Development: 51 Retirement Living Plus Extra Care apartments

The story: Acquired unconditionally through Jones Lang LaSalle this 1960s magistrate’s court was surplus to the HM Courts & Tribunal Service and located 1 1/4 mile from the high street. Surrounded by flatted development and in a sustainable location for much-needed retirement housing, planning permission was achieved locally as a first time approval.
Lifestyle Living presents an exciting opportunity to help us broaden our product range and reach a larger audience. Exclusively for the over 55s and those in the early stages of retirement, it is designed for people wanting to downsize into high-quality, well-located and low-maintenance apartments.

Developments have fewer units than our core products, with more car parking and larger apartments. They are intelligently and attractively designed to future-proof later living. Their age-exclusivity means that security and lifestyle is a focus, and privacy and personal space is a key consideration. The more active nature of these homeowners allows us to look for new land opportunities away from our traditional locations.

As of 2016 we have sold out at Scarlet Oak in Solihull, our first Lifestyle Living scheme and winner of Best Retirement Scheme at the Housebuilder Awards and Best Residential Development at the UK Property Awards, and are selling from a further nine locations with more in the pipeline.

**Features:**
- Designed exclusively for people aged over 55 looking to downsize
- Predominantly two-bedroom apartments
- Private outdoor spaces or balconies
- Excellent security features
- Minimum 11 car parking

**Site criteria:**
- Land of 0.5 to 1 acre
- Feel-good residential locations offering easy access to a town centre, but edge of town sites would be considered
- Attractive outlook desirable
- Prominent site

**Case Study**

**Location:** Poole, Dorset

**Former use:** Office and residential accommodation with car park

**Development:** 20 Lifestyle Living apartments

**Deal to permission:** 8 months – first-time approval

**The story:** Bought on a conditional contract, the site is within the privately-owned historic gardens of Compton Acres. Secure and private, this property brings modern features and classic architecture together in a dramatic setting adjacent to 10 acres of exquisite Victorian and Victorian landscaping.
McCarthy & Stone,
The UK’s leading retirement housebuilder

We’re online, why not join us?

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youtube.com/user/mccarthyandstone
linkedin.com/company/mccarthy-&-stone
www.mccarthyandstone.co.uk

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