



# Retirement living to the full

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COMPANY OVERVIEW



Clive Fenton CEO

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Our driving ambition is to enrich the lives of older people so they can experience retirement living to the full.

We are the sector leader with more than a 70%<sup>1</sup> share of the owner-occupied retirement housing market, and believe life is for living, whatever your age. We build beautiful apartments in stunning locations, allowing our homeowners to live independently with the reassurance that help is close at hand.

We place our customers at the heart of everything we do and have an unparalleled understanding of our market as the only national housebuilder to focus exclusively on the needs of older people.

1. Based on NHBC data.





## Company highlights

### 40 years

40 years since the opening of the first McCarthy & Stone retirement development at Waverley House, New Milton, in October 1977.

### 70% market share

Provide c.70% of all owner-occupied retirement and extra care housing in the UK, selling 2,302 apartments in 2016/17.

### Nationwide network

Nine regional offices across the UK in support of our continued growth.

### Outstanding products

Provide three unique housing options, catering exclusively for older people, as well as delivering outstanding management and care services.

### Five Star rating

Awarded the full Five Star rating for customer satisfaction by the Home Builders Federation ('HBF') for the twelfth consecutive year - the only UK housebuilder of any size or type to achieve this accolade.

### 3,000 units target

Sufficient land under control and operational platform now fully in place to deliver our strategic objective of building and selling more than 3,000 units per annum over the medium-term.

### 15 Quality Awards

15 Quality Awards, Seven Seals of Excellence and one Regional Winner at the 2017 National House Building Council (NHBC) Pride in the Job awards, underpinning our exceptional build quality.



# Retirement living to the full

**Retirement living involves much more than simply deciding to buy a new home that's better suited to your needs – it's an opportunity to embrace a new way of life. To have the freedom to live a lifestyle with more choices and fewer obligations and to have more time to do the things you enjoy.**

We understand that our homeowners spend decades working hard. This is their time to make the most of now, and they deserve to do it without stress and worries. Whatever they love to do – socialising with friends, spend time with family or just relax in their own space – they can do it all and so much more in a McCarthy & Stone property.

We help provide the perfect foundations to enrich the lives of older people. Time and time again we hear from our homeowners that buying one of our apartments “is the best move I've ever made; I wish I'd done it years ago.”



In support of our new 'Retirement living to the full' brand campaign, we produced a series of TV adverts which ran in early 2018. Please visit [www.mccarthyandstone.co.uk](http://www.mccarthyandstone.co.uk) to find out more.





*"I honestly can't think of any downside to moving. My family think it's wonderful; they are happy to see me here, enjoying life and they think it was a good decision to make. We are absolutely loving it, there are no two ways about it."*

**MRS NOTSCHILD, HOMEOWNER, STEVENAGE**



**VIEW FROM HORIZONS, POOLE**



## Customer satisfaction



In 2017, we again received the full Five Star award for customer satisfaction for our products and services in the independent survey by the HBF and NHBC, for a record 12th year in a row.



SOVEREIGN COURT, EAST RIDING



c.9/10

Almost nine out of 10 of our homeowners said their new property improved their quality of life<sup>1</sup>.



More than 90% of our homeowners would recommend us to a friend<sup>2</sup>.



83% of our customers said they experienced a sense of community in their new property.

This is compared to just 51% of older people in the general population<sup>3</sup>.



96% of our homeowners said they feel safe and secure in their new property<sup>4</sup>.



27,600

27,600 social events were held in our managed properties over the last 12 months<sup>5</sup>.

1. Survey of new homeowners by the NHBC and HBF (2016)  
2. Survey of new homeowners by the NHBC and HBF (2017)  
3. Homeowner survey (2017) and research by Demos (2016)  
4. Homeowner survey (2017)  
5. Internal figures (2017)





## Case Study

**For Martin and Marion Irving from Stamford Bridge, the key to a happy marriage and indeed a happy and active retirement isn't having his and hers TV remotes but riding in perfect harmony on their tandem bike.**

*"We love to go on adventures together and see where we end up."*

Having recently moved to our new Lifestyle Living development at Sovereign Court in Stamford Bridge, Martin and Marion have been able to enjoy even more of the cycling they love, going out up to three times a week.

Marion, comments: "Not having the burden and upkeep of our family home has given us back so much free time to spend on the things we really enjoy. By downsizing we now have more time to spend on ourselves, and are enjoying an active social life with like-minded people just like us, trying lots of different activities we've never had the time to before."

"We were attracted to the development because of its beautiful rural setting, which was perfect for our love of spending time outdoors. The development runs alongside the famous Sustrans Route 66 of the National Cycle Network, which we can often be found cycling along."

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*"The development offers us the peace of mind of being able to leave the apartment for holidays or days out without having to worry about security, which is an invaluable benefit of Lifestyle Living, and we feel very safe here at Sovereign Court."*

## Our business model

**We have a proven business model of buying land, securing detailed planning consent and then building, selling and managing high-quality developments across the UK that are specifically designed to meet the lifestyle needs of older people.**

### Our customers

**Our distinct and growing customer base is at the heart of everything we do.**

- Target customer age: over 60s in Retirement Living, over 70s in Retirement Living Plus and over 55s in Lifestyle Living
- Older owner-occupiers who are keen to downsize into attractive and secure housing with shared benefits and companionship
- Those who wish to maintain their independence with support on-hand if, and when, required
- Addressing the undersupply of homes dedicated to the needs of our customer base.





## Our market

There is a structural shortage of suitable housing options for older people and more retirement housing is needed for the UK's rapidly aging population.

UK POPULATION

65.6m PEOPLE<sup>1</sup>

OF WHICH 11.8m ARE 65 YEARS OLD OR OVER<sup>1</sup>

OF WHICH 29% OR

3.4m HAVE EQUITY OF £250K-£500K<sup>2</sup>

OF WHICH 38% OR

c1.3m ARE CONSIDERING DOWNSIZING - OUR TARGET DEMOGRAPHIC<sup>3</sup>

COMPARES WITH JUST

c157k

OWNER OCCUPIED RETIREMENT PROPERTIES IN THE UK<sup>4</sup>

WITH A

47% PREDICTED INCREASE IN THOSE AGED 65 OR OVER BY 2037<sup>5</sup>

1. Office for National Statistics (ONS), Overview of the UK population (July 2017)
2. ONS, total housing wealth by region and age group (2013)
3. YouGov, 2017, research provided by YouGov for McCarthy and Stone
4. EAC data based on owner-occupied retirement housing (2017)
5. ONS, 2017 (2016 based) population projections







# Our products

**Our three unique housing options cater exclusively for older people.**

We offer well-designed apartments in stunning locations, where every detail has been carefully thought through with our customers' needs in mind. From access to local amenities to internal layouts and fixtures, and combined with just the right level of service.





# Retirement Living

INDEPENDENCE WITH PEACE OF MIND





**Our Retirement Living developments provide high-quality apartments for homeowners aged 60 and over.**

36

New Retirement Living developments released for sale in 2016/17

1,722

Apartments sold in 2016/17

c.57%

Of our land pipeline



Apartments feature one or two bedrooms, spacious lounges, fitted kitchens, lifts to all floors, level access, extra storage, en-suite bathrooms and typically, private outside space in the form of balconies, terraces or patios.

Every aspect is specifically designed with our customers in mind, from the slip-resistant flooring in the bathrooms, and the lever taps for easier operation, to the electric plug sockets at waist height.

In addition, the developments have camera door entry and a 24-hour emergency call system with pendant alarms. They also feature a large amount of shared space to help build companionship, including a shared lounge, guest suite to accommodate visiting family and friends, and landscaped grounds.

Our site-based House Managers provide help and assistance for homeowners and are responsible for the day-to-day running of each development.

## Key Features

- > For those aged 60+
- > On-site House Manager
- > Homeowners' lounge
- > Guest suite
- > Extensive landscaped grounds
- > Lifetime Homes Standard
- > Typically 30-50 apartments



# Retirement Living Plus

A RETIREMENT APARTMENT YOU OWN WITH FLEXIBLE CARE AND SUPPORT





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**Our Retirement Living Plus developments (Extra Care) are designed exclusively for customers aged 70 and over.**

12

New Retirement Living Plus developments released for sale in 2016/17

479

Apartments sold in 2016/17

c.36%

Of our land pipeline



Our Retirement Living Plus developments offer a retirement apartment with on-site Management Services, domestic assistance and personal care. It is an attractive alternative for people seeking additional support whilst maintaining their independence.

Developments are similar to Retirement Living but typically have a number of additional features, including a full table-service restaurant or bistro with meals freshly prepared on-site, a function room, laundry, well-being suite and secure mobility scooter store room.

There is also a dedicated estate management team on-site 24 hours a day, 365 days a year, totalling up to 17 people and led by the Estate Manager. They provide extra support if and when it is needed, whether it is shopping, cleaning or personal care services. Tailored and flexible care and support packages mean homeowners only pay for the additional help they use.

## Key Features

- > For those aged 70+
- > Estate Manager and on-site team
- > Homeowners' lounge
- > Restaurant/bistro, Well-being suite
- > Wheelchair Accessibility Standards
- > CQC registered, 24-hour support
- > Typically 50-70 apartments



# Lifestyle Living

DOWNSIZE FOR YOUR LEISURE YEARS





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## Lifestyle Living is our product for customers aged 55 and over.

4

New Lifestyle Living developments released for sale in 2016/17

101

Apartments sold in 2016/17

c.7%

Of our land pipeline



Lifestyle Living is our product for customers aged 55 and over looking to downsize into modern, high-quality and low-maintenance apartments in prestigious locations. Developments typically have fewer, but larger, apartments than our other core products, with more car parking.

They are intelligently and attractively designed to future-proof later living. Features are incorporated discreetly to achieve an ageless design and developments typically feature an enhanced lobby area and an open-plan feel, with fewer shared facilities. Each apartment has two or three bedrooms, a fully fitted kitchen and bathroom, plus an en-suite bathroom and a walk-in wardrobe.

As homeowners tend to be more independent, developments have a visiting manager who is also on-call.

### Key Features

- > For those aged 55+
- > High-quality, low-maintenance
- > Prestigious locations, 2/3 bedrooms
- > Increased space and car parking
- > Open-plan living
- > Visiting manager on-call
- > Typically 20-40 apartments



# Management & Care Services

PROVIDING PEACE OF MIND THAT WE WILL LOOK AFTER OUR CUSTOMERS AND THEIR PROPERTIES





**Our in-house management and care services are a key part of how we seek to enrich our homeowners' lives.**



c.14,600

Homeowners<sup>1</sup>

312

Developments under management<sup>1</sup>

c.10,860

Additional care and domestic support hours delivered per month<sup>1</sup>

1. As of August 2017

Reliable and cost-effective management and maintenance services are essential to our homeowners. Our team provides them with peace of mind that we will support them and look after their properties over the long term.

Providing an in-house management services solution allows us to establish a unique relationship with our customers, providing personal and efficient services that not only help them, but also support the point of sale and allow us to deliver industry-leading standards of customer satisfaction. It also links together our expertise in housebuilding and property management.

McCarthy & Stone Management Services (MSMS) provides management services in the Group's Retirement Living and Lifestyle Living developments.

Each Retirement Living development typically has a dedicated House Manager on-site five days a week, managing the day-to-day running of the development while also helping to facilitate various social activities.

We also provide management services, domestic assistance, catering, personal care and additional support in our Retirement Living Plus developments 24 hours a day, 365 days a year.





## Case Study

**They say that as we get older, we should relax and enjoy life at a slower pace. One retiree breaking this rule is 69-year-old taxi driver Mo Ewasha, a homeowner at Springhill House, Willesden Green, who is currently training to run the London Marathon in 2018 to raise money for the Royal Voluntary Service.**

*“I still feel young at heart because I’m so active. Running is a way of life - I won’t be stopping for a long time.”*

His place has been confirmed following a donation from McCarthy & Stone to secure his minimum fundraising target. Far from relaxing into his older years, Mo, who’s been a keen runner since the age of 18, is now running every morning and covering around 30 miles a week. And that’s not all: he likes to spend his afternoons gardening, and is still working part-time as a taxi driver.

He adds: “Since moving to Springhill House, I’ve had more time to enjoy doing the things I love most.”

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*“McCarthy & Stone has really opened up a new way of life for me. I even enjoy gardening more now than I did at my previous house knowing my neighbours also get to enjoy the benefits.”*



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## Resales

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**McCarthy & Stone Resales is a new service, launched in November 2017, to support homeowners and their families who wish to sell their apartment and are looking for a specialist operator who fully understands this part of the housing market.**



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*...this new service reinforces our commitment to continually improving the service we provide to our homeowners.*

This exciting new initiative draws upon our extensive knowledge and experience of the retirement sector, as well as our unique understanding of the McCarthy & Stone brand.

Unlike many high street estate agents, the resales team understands the benefits of buying a previously owned McCarthy & Stone apartment within a retirement development, and this new service reinforces our commitment to continually improving the service we provide to our homeowners.

## Homeowner benefits

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- **Free market appraisal**
- **Professional photography and floorplans with high quality property particulars**
- **Experienced McCarthy & Stone Property Consultants**
- **Viewings undertaken by House and Estate Managers and our own consultants out of hours**
- **Extensive sales and marketing activity to promote apartments**
- **Online promotion including our own website and Rightmove**
- **Free entitlements advice**
- **Part-exchange, legal and removals packages**



## Unlocking the housing chain

There is a lot of focus at present on helping Generation Rent. But helping Generation Stuck – the millions of older people who want to downsize but can't due to a lack of suitable housing options – delivers the same outcome. Research shows for each person moving into a retirement housing development, typically two to three further moves are created on the ladder, including a family moving into the vacated property, and a young couple then buying their first home.

Retirement housing also reduces adult social care bills by keeping people happier, healthier and independent for longer.

But Government does not make it easy for older people to downsize. Retirement housing providers find little planning help or incentive to build. Our developments have additional costs – shared spaces and services, higher design standards and specifications – but none of these challenges are reflected in the planning system.

Hence the UK has one of the lowest downsizing rates of any developed country, and a very low supply of suitable housing for older people.



### To address these challenges, we are calling for:

1. New national and local planning policies that encourage the supply of retirement housing.
2. A targeted Help-to-Move package to help the millions of older people who want to downsize. This would see a one-time stamp duty exemption for those aged 65 and over moving into retirement housing.

Both policies would help address the chronic shortage of suitable housing options for older people.

- **c.157,000**: the number of specialist retirement housing units built to date for homeownership<sup>1</sup>
- **30,000**: demand for retirement housing units per year (compared to annual delivery rates of c.5,500)<sup>2</sup>
- **38%**: number of older people considering downsizing<sup>3</sup>
- **£3,525**: annual saving to the health and social care system for each person living in retirement housing<sup>4</sup>

1. EAC data (2017)  
2. Knight Franks and Savills (2016)  
3. YouGov research provided for McCarthy & Stone (2017)  
4. Homes & Communities Agency (updated for inflation) (2010)



## Caring for the environment: a sustainable way of living

## We work hard to build environmentally-friendly developments at the heart of communities.

Our sites are typically built on previously-developed brownfield land. They are close to towns, local shops, facilities and transport links, which means that our homeowners have a reduced reliance on their own cars and a smaller 'carbon footprint'.

We seek to create low carbon homes and every scheme has high standards of insulation and energy efficiency. We use sustainable building methods and materials, minimising waste, as well as employing a range of green technologies which both benefit our customers and protect the environment.



- 92 consultations and exhibitions were held in 2016/17, engaging local communities with our development proposals
- 98.3% of waste from our construction sites was recycled in 2016/17
- 33% of our sites used modern methods of construction in 2016/17

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## Executive Committee

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If you would like more information about our products and services or a confidential discussion about investment opportunities, then please contact us.



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## Our 40th year

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**2017 marked 40 years since the opening of McCarthy & Stone's first retirement development at Waverley House, New Milton, in October 1977. We are proud of our subsequent record of achievements and success, which gives us unrivalled expertise in this sector.**

McCarthy & Stone pioneered the retirement housing sector for homeowners after seeing a gap in the market, and we have since enriched the lives of tens of thousands of older people and their families. We have built and sold over 54,000 apartments across c.1,200 developments.

ROYAL  
VOLUNTARY  
SERVICE

### RVS fundraising challenge

Our desire to support and enrich the lives of older people has been the driving force behind our 40th Anniversary charity partnership with RVS in 2017. Events have been held across the business to raise money for RVS to support the fantastic work it does in helping older people live better at home.

Our homeowners have also been extremely supportive of our fundraising challenge and have organised events across our developments during the year.

We are delighted that we surpassed our £130,000 target and we are tremendously proud of, and grateful for the achievements and support of our employees, our homeowners and our suppliers, who have all contributed to this wonderful cause.

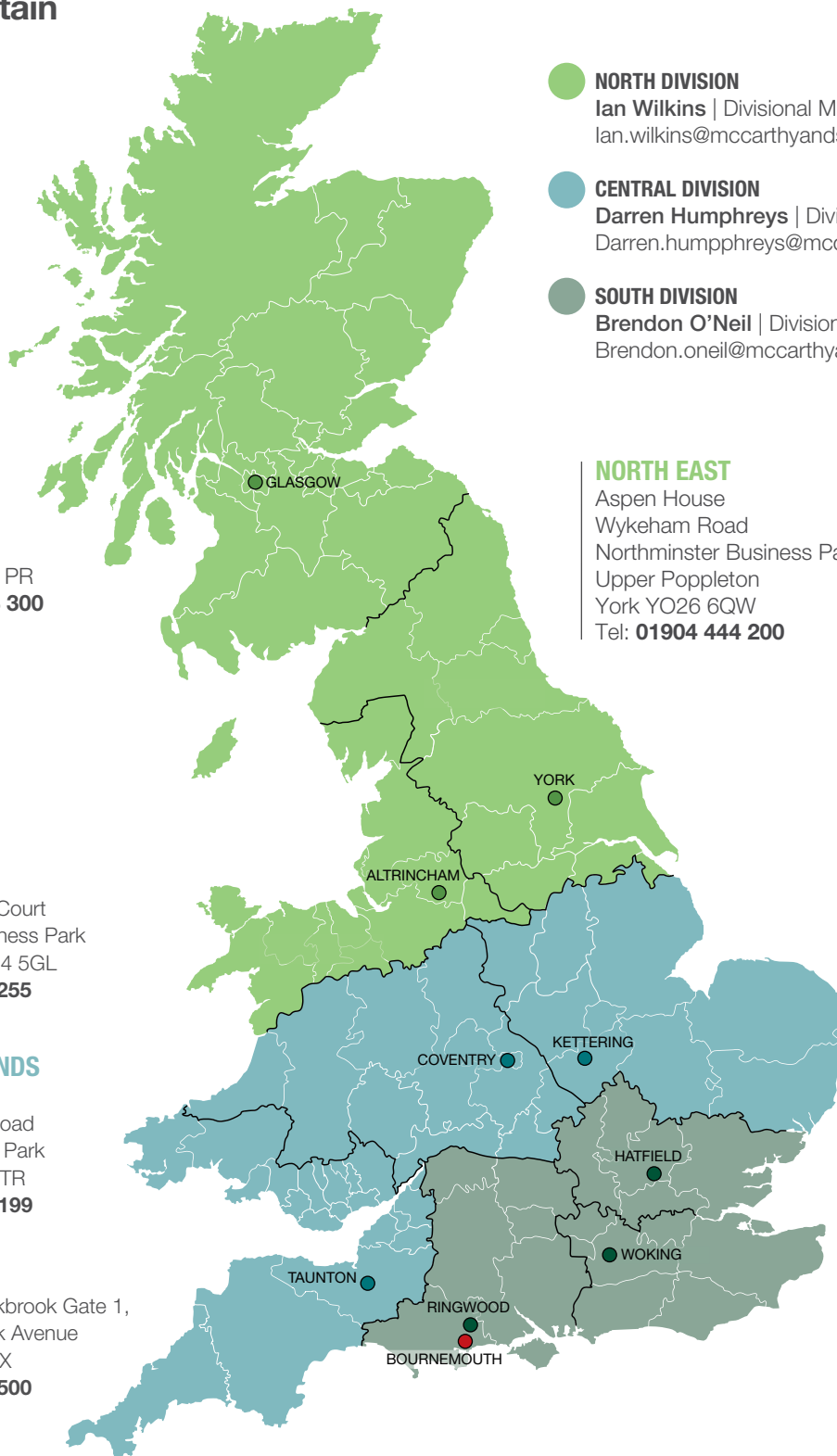
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Over

**£280,000**

raised for RVS in 2017

# Creating retirement communities across Britain



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*By providing well-designed and well-located housing with on-site support services, we are able to cater for a wide range of needs and help our customers live healthier and happier lives.*



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