Linden Homes (Galliford)

STRATEGY ON TRACK

We are on track to deliver the objectives of our three year housebuilding expansion plan and our construction strategy is working well.

Average outlets = 85 + 65 ÷ 2 = 75

6 months completions = 851

Annual completions × 2 = 1702

Completions per outlet per annum

= 1702 ÷ 75 = 22.69

Strategic update

Galliford Try set out a strategy in September 2009 to transform its housebuilding business through an expansion plan that had the objectives of a significant increase in profits and return on capital employed during the third year. We are now half way through the second year and all the building blocks of our strategy are in place. We have the land we require for the next financial year's production, the structure of our southern biased business has been strengthened with new offices, the people we need are in place, and we are building up our production with the number of our sales outlets expected to increase by 30% to 85 during the second half of this financial year. We are therefore on track to deliver our objectives during our next financial year, to June 2012.

In challenging construction markets, our strategy has been to maintain revenue at a level that continues to deliver acceptable profits and industry leading cash generation with a controlled risk profile. Our performance to date demonstrates we are meeting these objectives and successfully maintaining our quality order book, underpinned by our achievements in adding to our long term frameworks for the water industry with individual large scheme projects. We continue to be in a position where we will be able to take advantage of the opportunities that will ultimately arise when markets improve.

Financial results

Group revenue for the half year to 31 December 2010 was marginally higher at £575.9 million (2009: £570.0 million). The Group achieved a profit from operations (stated before finance costs, share of joint ventures interest and tax, exceptional items and tax) of £17.9 million (2009: £17.1 million). Profit before tax was £17.0 million (2009 pre exceptional: £13.2 million: post exceptional £6.4 million). Including the Group's share of joint ventures, revenue was £597.3 million. In line with our strategy, housebuilding revenue was up 29% to £152.9 million with construction revenue lower by 5% at £442.6 million.

The earnings per share for the period were 14.8p (2009 pre exceptional: 14.0p; post exceptional 3.0p). The taxation expense of £4.9 million reflects an estimated effective rate of 28.8% (2009: 30.3%) for the full financial year to 30 June 2011 as detailed in note 5 to this interim report.

The Group maintained its strong focus on cash management throughout the period. The construction cash balance at 31 December 2010 was £174.0 million having reduced less than anticipated in the current competitive market conditions. The working capital invested in land and work in progress increased to £517.2 million as we continued to build up our housebuilding business. The Group's net debt position at the half year end of £30.7 million was therefore better than expected at this stage of our expansion plan. Although they do not expire until February 2012, the Group is close to finalising agreement with its bankers for the renewal of its bank facilities for a four year term.

Dividend

Having taken account of the Group's performance during the half year to 31 December 2010, and the progress it has made towards delivering the strategic objectives outlined at the time of the rights issue in September 2009, the directors have declared an interim dividend of 4.5 pence per share (2009: 3.3 pence) which will be paid on 12 April 2011 to shareholders on the register at close of business on 18 March 2011.

The directors' intention is that, going forward, the interim dividend should represent approximately one third of the total dividend for the year and that, subject to the performance and prospects of the business, the Group should, over time, increase the amount of the total dividend so that it represents around one third of profits before tax.

Housebuilding

Growth in line with forecasts

Halfway through the second year of our three year expansion plan, housebuilding revenue and profits are increasing in line with our forecasts. Revenue (including our share of joint ventures) for the half year was £152.9 million, up 29% from £118.8 million last year. Profit from operations at £9.9 million is 39% up on a year ago (2009: £7.1 million). This represents a margin of 6.5%, which is being held back in the short term as we have now invested in the resources needed to deliver the substantially higher revenue levels anticipated in our next financial year.

Prices achieved at or above expectations

Total housing completions were up 28% to 851 units; 779 net of joint venture partners' share (2009: 663 and 638 respectively). Prices achieved were at or slightly above our expectations and our average selling price on private sales was up 4% at £204,000 (2009: £197,000). Due to a higher proportion of lower priced affordable homes completed in the period, the average selling price for affordable sales was £110,000 (2009: £131,000) leading to a combined average selling price of £178,000 (2009: £181,000).

Increase in active selling sites to support expansion plan

Total sales currently reserved, contracted or completed of £442 million are up by 19% compared to a year ago. £286 million is for the current financial year to 30 June 2011, representing 74% of projected sales for the year, compared to 84% at the same point last year. Sales in the first half of the year have been achieved from a similar number of outlets to last year. The second half is expected to benefit from a significant increase in the number of active selling sites from 65 at 30 December 2010 to over 85 by June 2011, giving us the outlets projected in our three year expansion plan.

Continued progress in land acquisition

We have continued to be successful in acquiring land that meets our strict financial criteria although the land market has become more competitive, particularly in the south east. The planning system remains challenging, and we continue to have concerns over the confusion and delay that is being caused with the implementation of the Government's localism agenda.

We now have all of the plots that we require, either owned or under our control, to deliver our planned output for the financial year to June 2012. The landbank currently stands at 10,000 plots, up from 9,300 a year ago. 6,500 plots, or 65% of our total landbank, has now been acquired at current market values compared to 43% a year ago. We also have 2,700 plots with terms agreed in the pipeline. Our strategic land totals 1,200 acres, from which we expect to generate around 7,100 plots.

Affordable outlook improving

We continue to benefit from our presence on all three regions of the Homes and Communities Agency's delivery partner panels, with projects secured in every region and new opportunities under review. We have also secured further

6 months completions 4,832

Sales Outlets 366

= 13.20

x 2 to reflect annual = 26.4

24 February 2011

BARRATT
DEVELOPMENTS PLC

BARRATT DEVELOPMENTS PLC

Results for the half year ended 31 December 2010

Highlights:

- Revenues for the half year were in line with the prior year equivalent period at £877.6m (2009: £872.4m)
- Completions for the period were 4,832 (2009: 5,053), including 36 (2009: 25) joint venture completions
- Average selling price (excluding joint venture completions) increased by 5.7% against the prior year equivalent period to £175,800 (2009: £166,300), with private average selling price increasing by 10.8% to £191,900 (2009: £173,200), mainly as a result of mix changes
- The drive to improve business performance and rebuild profitability led to a significant increase in operating margin to 5.0% (2009: 0.6%), with profit from operations in the first six months of £43.5m (2009: £5.2m)
- Loss before tax for the period of £4.6m (2009: loss before tax of £178.4m)
- Terms were agreed on £318.0m of land purchases, comprising 57 sites and 6,078 plots, which are expected to deliver attractive margins based on current selling prices
- Net debt reduced year on year to £537.0m (2009: £605.3m) and is forecast to be around £400m at 30 June 2011 (30 June 2010: £366.9m)
- The Group has delivered 0.57 (2010: 0.55) private sales per active site per week in the last six weeks, in line with the equivalent period in the prior year and up from 0.39 in the first half

Commenting on the results Mark Clare, Group Chief Executive of Barratt Developments said:

"By focusing on price not volume and improving the underlying efficiency of our business, we have achieved a significant improvement in our operating margin despite a challenging autumn selling season.

2011 has started well with encouraging sales rates and stable underlying pricing. We expect to see further operating margin growth in our second half as we continue to optimise prices, reduce costs and open new higher margin sites from recently acquired land.

However, the market remains fragile and longer term recovery continues to depend on greater availability of mortgage finance."

-

The Interim Management Report contains certain forward-looking statements about the future outlook for the Group. Although the Directors believe that these statements are based on reasonable assumptions, any such statements should be treated with caution as future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.

A presentation will be broadcast live on the Barratt Developments corporate website, www.barrattdevelopments.co.uk, from 8.30am today. A playback facility will be available shortly after the presentation has finished. Those wishing to listen-only to the presentation at 8.30am may dial:

Live dial-in:	
UK access number	+44 (0)20 3140 0723
UK toll free	0800 368 1916
Replay	
UK access number	+44 (0)20 3140 0698
UK toll free	0800 368 1890
US toll free	+1 877 846 3918
Conference reference	376039#

The presentation slides will be available on the Barratt Developments corporate website, www.barrattdevelopments.co.uk.

The Interim Management Report for the six months ended 31 December 2010 is available from today, 24 February 2011, on the Barratt Developments corporate website, www.barrattdevelopments.co.uk via the following link: www.barrattdevelopments.co.uk/ir/reports/.

Further copies of the announcement can be obtained from the Company Secretary's office at:

Barratt Developments PLC, Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, LE67 1UF.

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Barratt Developments PLC

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Maitland

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Neil Bennett	

Group Chief Executive's statement

Results

The Group delivered an improved operating performance in the period with a significant increase in both average selling prices and operating margin. This is against a backdrop of restricted mortgage lending and weak consumer confidence, particularly around the Government's Comprehensive Spending Review in October 2010.

The Group's profit from operations for the first half of its financial year was £43.5m (2009: £5.2m), with an operating margin of 5.0% (2009: 0.6%). The Group made a loss before tax in the period of £4.6m (2009: loss before tax £178.4m).

The Group's loss per share was 0.9p (2009: loss per share 18.9p).

The Group's half year net debt was £537.0m (2009: £605.3m), an increase of £170.1m compared with £366.9m at 30 June 2010 reflecting normal operational trends. Net debt is expected to reduce to around £400m as at 30 June 2011 (30 June 2010: £366.9m).

The Board is committed to improving the profitability and strengthening the financial position of the Group whilst continuing to invest in its existing land bank as well as new sites. In this context, the Board will not be paying an interim dividend (2009: nil).

Driving business performance

The Group's overriding objective remains rebuilding profitability. We have made considerable progress in the first six months of the financial year and are on course to deliver further improvement in the second half. We have three clear priorities to drive business performance:

- Focus upon margin improvement through optimising average selling prices and not chasing volumes
- Continued emphasis on operational and cost efficiency
- Investing in land which is expected to deliver attractive returns in the future

Significant progress on all of these priorities has been achieved in the first half of the year. The Group has maintained underlying selling prices and delivered a 10.8% increase in private average selling prices during what has been a tough autumn selling period.

We have continued to pursue further operational efficiencies designed to reduce our build costs and increase the effectiveness of our operations. We have maintained a firm control on direct costs despite upward price pressures on certain materials. There has been no increase in overheads in the period and, looking ahead, the Group is focused on lowering these costs further as it sees the benefits of investment in new systems coming through. Further progress on costs is also targeted from technical innovation, in particular the efficient delivery of low carbon housing.

The Group has continued to acquire land where it provides attractive returns. We expect this new, higher margin land to help drive future gross margin improvement as the number of sites opening on newly acquired land increases significantly.

Housebuilding operations

In the first six months of the financial year the Group operated across an average of 352 (2009: 368) active sites, down 4.3% on the same period last year. During the half year, the Group opened 79 sites and as at 31 December 2010 it was operating from 366 (2009: 364) active sites.

In the second half the Group expects to open a further c. 100 sites, with total active sites as at 30 June 2011 expected to be c. 390 (30 June 2010: 339).

The Group averaged 138 (2009: 180) net private reservations per week during the first half, which was 0.39 (2009: 0.49) net private reservations per active site per week. During the period the Group saw a decline in consumer confidence, particularly in the weeks around the Government's Comprehensive Spending Review in October 2010. The extreme weather conditions during December also adversely affected sales rates with a number of sites inaccessible due to heavy snowfall. The cancellation rate for the first half was 20.1% compared with 17.8% in the prior year equivalent period.

Total housebuilding completions (including joint ventures) for the first half were 4,832 (2009: 5,053) with private completions of 3,669 (2009: 4,381), social housing completions of 1,127 (2009: 647) and joint venture completions in which the Group had a share of 36 (2009: 25).

Persimmon Homes

Completions - 9,384

Business Review

Outlets - 380

Market place & trading

Completions Per Annum Per Outlet 24.69.

2010 saw Persimmon successfully deliver underlying operating margin expansion and free cash flow in line with our key strategic objectives. We have continued to invest in our business across the country and have opened c.165 new sites this year as well as acquiring c. 10,200 plots of land which will sustain the business for the future.

During 2010 the UK housing market experienced another challenging period. We entered the year with a strong forward order position with forward revenues of £638 million. The uncertainty during the lead up to the General Election was settled in early May. Throughout this period the housing market remained active with a positive Spring selling season.

Sales rates through the first half of the year were encouraging with continued low cancellation rates of c.16% which was in line with the prior year.

Whilst mortgage availability has remained tightly constrained, mortgage approvals have proved to be reasonably stable at just under 50,000 approvals for house purchases each month. This scale of activity remains significantly below normal levels and reflects the much reduced risk appetite of mortgage lenders. First time buyers in particular continue to face major obstacles in gaining access to mortgage products which offer higher loan to values at affordable prices.

As a result customers continue to seek support for the purchase of a new home through both the provision of shared equity incentives and part exchange arrangements. Consequently c.28% of the Group's sales volumes in 2010 were supported with an element of shared equity.

The Government sponsored HomeBuy Direct shared equity scheme came to an end on 30 September 2010. We were able to partner with Government in supporting customers to buy approximately 2,200 new homes from the Group using this facility. We have been successful in securing support under the subsequent Government Kickstart programmes to allow us to offer c.1,200 additional new homes on c.40 sites through to the end of March 2012. We are working hard to introduce our customers to this opportunity as part of our ongoing marketing campaigns.

Shared equity receivables with a fair value of £115 million were outstanding at 31 December 2010 and are disclosed as "available for sale financial assets".

In addition customers are increasingly keen to take advantage of our part exchange facilities. However, the value of our holdings of part exchange second hand properties at 31 December 2010 remained at historically low levels at £33m (2009: £9m).

Our strong carried forward sales and an encouraging Spring sales season enabled the Group to complete the sale of 4,657 new homes in the first half of 2010 (2009: 4,006). This 16% increase in volume together with the 9% increase in average selling price enabled us to deliver a 27% increase in revenues in the first six months of the year. We were also able to continue to strengthen our order book to the end of the first half with forward revenues of £708 million (2009: £694 million).

The 9% increase in average selling price for the first half was mainly due to sales mix changes, a greater proportion of existing home owner sales being achieved. We also delivered a greater proportion of sales in southern markets which generally carry higher prices. However, we secured c.3% underlying price growth during the Spring season which supported the improvement in our underlying operating margin to 8.0% for the first six months (2009 H1: 1.6%).

With the more positive sales rates in early Spring 2010 we opened c.90 new sites during the first half. Whilst this maintained our overall active outlet network at c.380 sites, these new site openings enabled us to capture pent up demand in good quality private market locations. We were also able to deliver the required affordable homes to our Housing Association partners on opening these new sites.

We have continued to focus on replanning existing sites to improve the overall quality of our forward landbank. The benefits of achieving greater coverage of traditional two-storey housing on our schemes, of lower build costs, tighter build control, greater flexibility of build in response to sales interest and better marketability will assist the continued improvement in our operating margins in the future.

After the traditionally quieter summer weeks the Autumn sales season was more subdued due in part to the uncertainty with respect to public sector employment and the planned significant reductions in expenditure as part of the Government's Comprehensive Spending Review. As a result, sales rates through the Autumn were lower and with the onset of the unusually extreme weather from late November through to Christmas, site activity was understandably quieter. However, forward sales at 31 December 2010 of £565 million placed us in a strong position for the first half of 2011.

Second half legal completions of 4,727 homes (2009 H2: 4,970) resulted in total sales volumes for the year of 9,384 homes (2009: 8,976), an increase of 4.5%. At 31 December 2010 we were operating from c.380 active sites.

In the second half of the year our average selling price of £169,736 (stated before shared equity fair value adjustment) was c.3% higher than for the second half of 2009 with underlying pricing remaining generally stable when compared with the first half of the year. Total average selling price for the year on the same basis was £169,339 an increase of 5.5% over the prior year. Total revenues for the year were £1.57 billion (2009: £1.42 billion).

Our focus on maximising prices and strict business disciplines on cost control led to a further improvement in underlying operating margins in the second half to 8.4% (2009 H2: 5.8%). Underlying operating profit margin for the full year was 8.2%. The full statutory operating margin of 13.0% includes the exceptional release of net surplus inventory impairment. Underlying pre-tax profits for the year of £95.5 million were well ahead of the prior year (2009: £7.0 million).

Review of operations

Our three brands of Persimmon, Charles Church and Westbury Partnerships all made good progress over the course of last year. The majority of our 25 businesses now operate a dual branded approach delivering both Persimmon and Charles Church product to their local markets.

Whilst we have retained the capacity to grow our output from this existing office network to c.14,000 units on a national basis, we have re-established an efficient level of overhead with our underlying net operating expenses representing just 4.2% of sales for 2010.

Our dual branding approach achieves significant benefits for each business, from clearly eliminating potential conflicts with respect to land acquisition and utilisation through to maximising pricing, securing procurement benefits, and removing duplication. We are able to achieve an improved asset turn by operating both brands on larger sites where circumstances allow in support of achieving increased returns. Our lean operating structure secures good levels of operational gearing which will add value as the housing market improves and output expands in the future.

During the year we entered a joint venture agreement with St. Modwen plc which will give us access to further high quality land. In Wales we are drawing down detailed planning permission for the first phase at Llanwern, Newport which will allow us to deliver 300 new homes as part of the planned 4,000 unit residential and mixed use scheme on this former steelworks. This will be the first of a number of sites that we hope to progress under these arrangements in the future.

Taylor Wimpey
Outlets 289
Completions 9,962
Completions Per Outlet Per Annum 34.47.

Business overview

We are one of the largest homebuilders in the UK and a top 10 homebuilder in the US.

UK Housing

Taylor Wimpey is one of the largest homebuilders in the UK with national coverage from 24 regional offices.

Taylor Wimpey

Overview

- We build homes in the UK under the Taylor Wimpey brand.
- We build a wide range of homes in the UK, from one bedroom apartments to five bedroom houses, with prices ranging from below £100,000 to above £500,000.
- In addition, we build affordable housing across the UK, which represented 18% of our 2010 completions.

2010 highlights

Completions
9,962

Average outlets
289

Proportion of Group revenue
66.7%

Average selling price
£171k

Short term landbank
63,556
plots

Market conditions

- After an encouraging start to the first half of 2010, we saw some softening around the time of the general election in May. Trading improved once the outcome was known, leading to a robust summer period. Sales softened in the autumn ahead of the government's Comprehensive Spending Review in October, with incremental improvements following the announcement.
- National house price indices show a mixed picture over the year.
- Mortgage availability remains restricted, although there has been some improvement in the number of products available to first time buyers.

Short term priorities

- Add new plots to the land portfolio that create value.
- Optimise planning consents on each outlet prior to commencing development and sales.
- Reduce build costs through continuous improvement in operational efficiency.
- Deliver competitive offers in each local market.

For more information
see pages 14-19

Miller Group.

6 Months completion 954

Outlets 79

12.07

Completions Per Annum Per Outlet (x2) 24.14

CHAIRMAN'S STATEMENT
SIR BRIAN STEWART CBE

Sir Brian Stewart CBE
Chairman

MOVING FORWARD POSITIVELY

Performance

The Miller Group ('Miller Group' or the 'Group') has performed well and made good progress against a backdrop of continuing economic and market uncertainty. In the period under review, all businesses improved on their 2009 performance resulting in Group profit before interest of £3.3m (2009: loss of £7.4m) and a loss before tax of £26.9m, representing a £6.9m improvement on last year. We continue to focus on cash generation and cost control and these actions have generated a cash inflow before financing of £74.7m (2009: £13.0m) and a reduction of Group borrowings by £135m to £808m. The Group has made significant progress both operationally and financially, and importantly has the diversity to operate through challenging market conditions.

In view of the loss for the period no dividend will be paid.

Housing

The UK housing market has been stable during the first half of 2010, despite the uncertainty caused by the General Election and a weak economy. In the period under review, we achieved 954 completions, a 9% reduction from the 1,048 completions in 2009. This is the result of lower sales to private investors and Housing Associations.

The average selling price increased by 12% to £170k (2009: £151k) as a result of a mix change and the strategic decision to increase our focus on family housing where the demand is stronger.

We are 90% sold against our 2010 volume targets which are in line with last year. We are focused on delivering these and building a strong forward sales position for 2011.

The continued improvement in the housing market has given us the confidence to open nine new sales outlets during the first half year and a further five are planned during the second half. We operated from an average of 79 sales outlets during the period (2009: 110), and achieved an average of 0.47 sales per outlet per week (2009: 0.48). Cancellation rates improved slightly to a low level of 14% (2009: 15%).

Mortgage availability and terms remain an issue, although there has been an increase in the number of higher loan-to-value mortgages available which has allowed a reduction in the use of shared equity products.

Social Housing remains an integral part of our strategy, and we have continued to work closely with The Homes and Communities Agency (HCA) on the HomeBuy Direct (HBD) and Kickstart (KS) initiatives. HBD has accounted for 28% of our new reservations in the year to date, and while this percentage will fall when the original HBD scheme ends, our commitment will be re-directed towards our KS supported sites. We are actively reviewing a number of new opportunities throughout the UK.

We have continued to improve the quality of our landbank by selectively re-planning sites to improve marketability. We currently own 7,200 consented plots which represents over three years' supply. Our strategic land portfolio is maturing and we are now reaping the benefits of investment made over a number of years. There are 27 sites and 11,260 plots allocated in local plans. We anticipate drawing down 11 sites by the end of 2011. The majority are on deferred payment terms.

Finally, we are delighted to have won the Scottish Home Awards' Housebuilder of the Year and also 22 of our site managers achieved Pride in the Job awards – our highest ever number and 4th in the industry league tables.

Bellway p.l.c
Outlets 185
Completions 4,595
Completions Per Outlet Per Annum = 24.84

Group Summary

During the early part of the financial year stability gradually began returning to the housing market. This was reflected in an increase in mortgage approvals in late 2009 together with a measured reduction in the cancellation rate from its peak of 26% in 2008/09 to an average of 13%. As a result the Group is able to report a 4.9% increase in legal completions to 4,595 units for the year to 31 July 2010.

Selling prices have remained firm at, or around, their post write down levels and consequently, have contributed towards Bellway's return to profitability with pre tax earnings of £44.4 million (2009 – loss of £36.6 million), having reported no further exceptional items in the period (2009 – write down of £66.3 million).

The Group has maintained its focus on cash generation with a net cash inflow before debt repayments and excluding new market share issues, of £58.8 million (2009 – £180.9 million). On 6 August 2009 a further £43.7 million, net of expenses, was successfully raised via a share placing at an issue price of 779.0p per share, contributing to a net cash position (excluding preference shares) of £65.7 million at 31 July 2010 (2009 – net debt of £36.8 million). Bellway continues to benefit from a strong balance sheet and, with cash in the bank, is well placed to pursue future land opportunities, whilst retaining the ability to respond to any future changes in market conditions.

Group Results

Total Group revenue increased by 12.4% from £683.8 million to £768.3 million. Revenue from home sales increased by 11.2% from £674.5 million to £749.8 million, reflecting an increase in unit completions from 4,380 to 4,595 and an increase in the average selling price from £154,005 to £163,175.

Other revenue of £18.5 million (2009 – £9.3 million) has almost doubled, principally due to ground rent sales.

Sales and Margin Growth

- Increasing average selling price as the mix changes to more family housing
- Increasing outlets
- Now operating from 200 outlets compared with 185 at the start of this year
- Selling off plan remains difficult – completed units increased to 590
- Operating from 30 recently acquired high margin sites

Redrow plc
Completions 1312
Outlets 90
Completions per annum per outlet(x2) 29.15

Chairman's statement

Steve Morgan Chairman

I am pleased to report that in the first half of the financial year Redrow continued to make good progress.

The housing market during the second half of 2010 was overshadowed by economic uncertainty, tax rises and Government cutbacks. Yet, in spite of the challenging conditions, Redrow's decision to return to our traditional values with the introduction of the New Heritage Collection proved to be a great success for the business.

For the first six months to December 31st 2010, revenues improved by 15% to £216.1m (2009: £187.2m), mainly due to a 16% increase in the average selling price of our private homes to £170,500. When social housing revenues are included, the average selling price increased by 13% to £163,700. The number of legal completions increased by 3.6% over the same period to 1,312.

On the back of increased revenue and selling prices, gross margin rose from 7.2% to 13.4%. Operating profit for the first six months was £12.1m compared to a £1.6m loss in the first half of the previous year, producing an operating margin of 5.6%.

Interest expenses reduced by almost 50% to £3.6m (2009: £7.1m) resulting in a pre tax profit for the six month period of £8.5m, compared to a loss of £8.7m in the first half of last year.

No dividend has been declared for the first half in line with the Board's stated policy of only paying a dividend once the Group has an appropriate level of earnings cover and taking into account the need to invest in land for future development.

Market and New Heritage

The housing market was particularly challenging during the second half of 2010. Redrow, however, has continued to make progress on the back of the launch of the New Heritage Collection. With its high levels of quality, design and specification, demand for New Heritage has been strong. Overall, during the first half reservation rates reduced to 0.47 per sales outlet per week, compared to 0.55 during the same period last year. However this figure was distorted by the negative impact of the severe weather conditions experienced across the country towards the end of November and throughout December.

The impact of the New Heritage Collection is being increasingly felt in the Group's performance. In the first half New Heritage homes accounted for 30% of the Group's turnover and 34% of private reservations. The average selling price for the Collection was £196,000, around 7% higher than equivalent size homes in the previous Signature range. With new sites being launched on a regular basis, New Heritage features on 50% of our developments at the time of writing and should rise to around 70% of our total outlets by June 2011.

Opening new outlets remains a key objective, with 28 mainly New Heritage Collection sites due to open in the second half of the year. After forecast closures this will increase our total number of active outlets to 90 by the June year end.

Mortgages

The switch to New Heritage means Redrow is increasingly focussed on middle market homes, with less emphasis on the first-time buyer market. However we remain concerned about the impact on the market as a whole of the historically low turnover in first-time buyer housing transactions. There are many more would-be middle market purchasers who are unable to proceed due to the lack of first time buyers in the housing chain.

The unprecedented low turnover in first time buyer housing transactions is primarily caused by the chronic shortage of affordable high-loan-to-value mortgage products in the market. Nobody wants to see the return of the irresponsible lending of a few years ago. Nevertheless 90%+ mortgages, which previous generations of first-time buyers were able to take for granted, are now prohibitive on the grounds of both availability and cost. With only six lenders covering around 90% of the total mortgage market there is an overwhelming need for increased competition.

House building is capable of providing a huge stimulus to the UK economy, with five British jobs being created for every new home built. In these times of huge economic uncertainty there are considerable gains to be had by resolving the mortgage crisis. An increase in turnover of housing transactions to more normal levels would generate significant revenues for the Government, reduce unemployment and enable the home building industry to start making inroads into the UK's chronic housing shortage.

Land and Planning

During a period of uncertainty in the planning system we have been pleased with Local Authorities' response to the New Heritage Collection and we have made good progress on obtaining planning permissions on those sites where the principle of development has been previously agreed.

1,452 new plots have been secured during the first half, which, after legal completions, land sales and replans, has resulted in a current land bank of 13,140 plots, broadly similar in number terms to June 2010. Although the number of plots in the current land bank has remained stable, the quality of the land bank has increased significantly as new land has been purchased, in the main, for New Heritage.

A new regional office in Central London has been established, with the intention of concentrating on prime London opportunities. I am pleased to report that we have secured our first three sites, with a total of 244 plots, which, when completed, will have a development value of approximately £150 million.

Average selling prices across the new sites will be significantly ahead of the plots that have been sold. Excluding London, the average plot cost is now £38,000 (June 2010: £34,000). When London sites are included the average plot cost increases to £43,000.

Harrow Estates is now fully integrated into the Group. The five sites acquired at the time of the takeover are all contributing to the