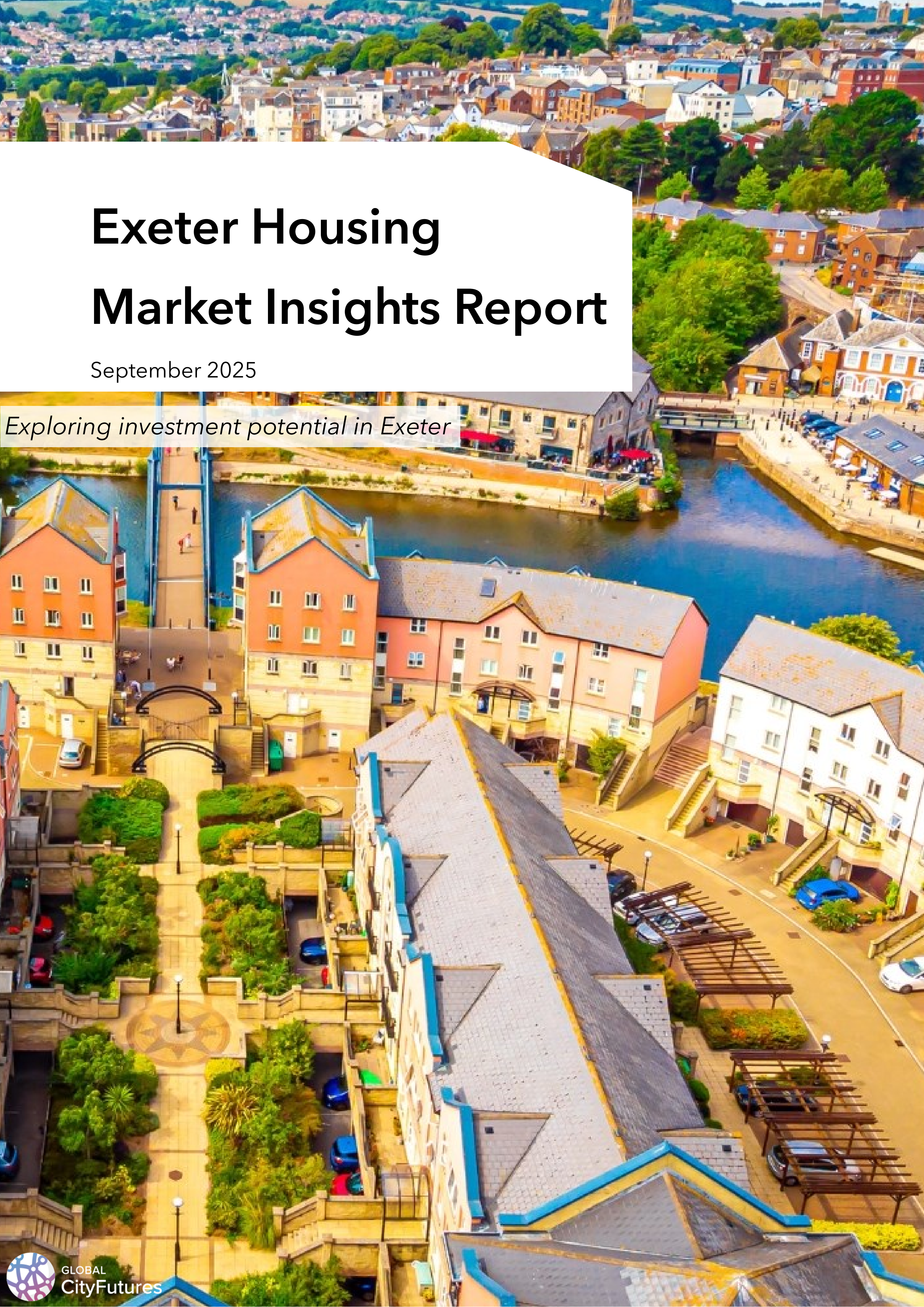
Exeter Housing Market Insights Report

September 2025

Exploring investment potential in Exeter



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Introduction

The Exeter Housing Market Insights Report examines the city's housing landscape in local and national context. With rising demand, Exeter faces challenges shaped by demographic growth, its economy, and physical limits.

The report builds an evidence base for sustainable development, focusing on brownfield potential and Exeter's vision for inclusive, resilient growth. Savills' analysis adds insight on affordability, demand, and the city's role in the South West market.

A stakeholder survey with investors, developers, advisors, educators, and housing associations revealed both appetite for investment and barriers to delivery. Together, these findings provide a strong foundation for housing strategies that meet Exeter's growing needs.

Report Scope

Global City Futures (GCF) is a sustainability-focused consultancy dedicated to delivering impactful, long-term solutions that drive positive change for both local and global environments, with a view to benefiting future generations.

GCF have been appointed as strategic advisors to Exeter City Council, to explore the opportunities, blockers, and models for delivery of sustainable housing in the city. As part of the appointment, GCF have been commissioned to produce this housing market insights report examining the housing market in Exeter.

The scope of GCF's appointment for this report is set out below.

1) National Context:

- UK housing trends and emerging themes
- National housing policies and targets
- Potential implications of a change in government

2) Local Context:

- The local economy
- Local policies and targets
- Market strengths, challenges, and outlook
- Growth forecasts
- Housing targets and plans
- Planning and land supply

3) Private and public sector appetite for investment in Exeter

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Our findings are based on the assumptions given and the views of the stakeholders throughout the engagement, and are no way representative of any opinion from Global City Futures. As is customary with market studies, our findings should be regarded as valid for a limited period of time and should be subject to examination at regular intervals.

Foreword

Foreword

The UK housing market has continued to evolve under the weight of shifting economic conditions, policy changes, and changing consumer behaviours. It has seen particular volatility over the past five years, driven by unparallelled UK and world events, including Brexit, the global pandemic and, more recently, a change in government. Inflationary pressures, higher interest rates, and cost-of-living concerns have all contributed to a subdued market, with England facing what is widely considered "the most acute housing crisis in living memory", with an estimated shortfall of 4.3 million homes.

Early 2025 has though shown signs for cautious optimism, particularly in light of improved mortgage affordability and a stabilising economy. Pockets of resilience and renewed activity are starting to emerge, albeit with key regional variations becoming more pronounced.

In this complex environment, localised analysis becomes even more crucial to understanding how individual housing markets are responding to broader macroeconomic forces.

Exeter, as a dynamic regional city, provides a clear lens through which to observe these national trends at work at a local scale. The city continues to benefit from its strong fundamentals, including a growing knowledge economy, a well-established university, and a desirable quality of life that draws both young professionals, families, and retirees. Whilst Exeter has not been immune to the wider economic pressures affecting the UK housing market, it has demonstrated notable resilience.

The Exeter Plan was prepared under previous versions of the National Planning Policy Framework (NPPF) to that published in December 2024, therefore is meeting a housing need of 642 homes per annum.

Data in this report highlights that demand within the Exeter housing market remains robust, particularly for family homes and properties with access to green space or good transport links. Transaction volumes have held up relatively well compared to national averages, reflecting sustained interest from both local buyers and those relocating from more expensive regions. The rental market has seen strong upward pressure, driven by limited supply and increased demand, particularly among younger households and students.

Published in July 2024, the Devon Housing Commission Report provides a comprehensive analysis of the county's housing needs. Local development pipelines and planning activity is looking positive, although delivery remains uneven and affordability challenges continue to persist, particularly for lower-income households, underlining the need for targeted interventions and continued investment in affordable housing solutions.

Additional challenges, hindering much needed investment in housing in the area, have been raised through the market engagement undertaken for this report. In particular the planning process and its prolonged timelines, alongside issues raised over Exeter's city centre and lack of appeal, were highlighted as potential blockers. Positively though, Exeter is seen by the developer and investor market as an opportunity for growth and investment, with housing seen as having a role to play in regenerating and reinvigorating the city centre.

This report offers valuable insight into how Exeter's housing market is navigating ongoing uncertainties. It serves as a resource for policymakers, developers, investors, and housing professionals seeking to make informed decisions in a rapidly changing landscape.

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National Context

Focused on Housing

50%		4.0%
Affordable Housing Requirement	**Housing Targets**	**Falling Interest Rates**

The UK government's long-term housing strategy sets out a comprehensive plan to address the country's deepening housing crisis. At its core is the ambition to deliver 1.5 million new homes by the end of the current Parliament—fulfilling the previous government's pledge. The strategy focuses on increasing supply, improving affordability, and ensuring sustainable, well-designed development.

Key priorities include urban regeneration, brownfield land reuse, streamlining planning processes through reforms to the National Planning Policy Framework (NPPF), and setting robust design and quality standards. The strategy also recognises the importance of collaboration between central and local government, housing associations, and private developers in achieving its goals.

Despite these ambitions, England faces what has been described as "the most acute housing crisis in living memory", with an estimated shortfall of 4.3 million homes. In 2023–24, just 200,000 homes were built—far short of the 300,000 target. Planning approvals are at their lowest in decades, with developers submitting fewer applications due to market uncertainty and rising development costs.

Affordability pressures continue to mount. In 2022, the average home cost 8.3 times the average full-time salary—up from 3.5 times in 1997—placing home ownership increasingly out of reach. Meanwhile, 1.33 million people were on the social housing waiting list in 2024.

In response, the Labour government, elected in 2024, has pledged to deliver 1.5 million homes by 2029. The revised NPPF, issued at the end of 2024, raises the national housing target from 300,000 to 370,000 homes per year and reinstates mandatory local housing targets. The updated Standard Method[1] now bases housing need on existing stock and affordability, rather than projections, to better reflect the scale of local demand—particularly in high-pressure areas.

To drive development, councils are being encouraged to prioritise brownfield sites and support higher-density housing in urban areas. Additionally, "Grey Belt" land –underutilised or unattractive areas misclassified within the Green Belt – will be made available for development under strict conditions. These include requirements for 50% affordable housing, improved public access to green space, and delivery of critical infrastructure such as schools and healthcare facilities.

This renewed focus on housing delivery, affordability, and local accountability signals a shift in national policy towards enabling councils and communities to deliver homes in the right places, at the right pace and scale, to meet urgent need.

The devolution of powers from national government to local councils is a key step within this transition, and will potentially lead to more tailored and responsive housing solutions. Additionally, interest rates have fallen to 4% as of August 2025, which will help alleviate affordability pressures.

1 Calculates minimum housing need

Market Monitor

Key macroeconomic indicators within the UK market

0.3%

Q2 2025 GDP Growth

4.2%

July 2025 Inflation CPI

4.0%

May 2025 Bank of England Base Rate

4.7%

Q2 2025 Unemployment Rate

Sources: Office Of National Statistics and Bank of England

Economic Analysis

The UK housing market is undergoing a period of structural adjustment, influenced by the prolonged impacts of Brexit, the COVID-19 pandemic, and recent political developments. These factors have contributed to sluggish GDP growth, elevated inflation, and sustained high interest rates. Although the UK narrowly avoided recession in late 2024, early 2025 has seen signs of modest recovery, suggesting improving business confidence, with GDP rising by 0.5% in February and 0.2% in March.

Inflation has eased from the peaks seen in 2022 but remains above the Bank of England's 2% target, standing at 3.4% as of March 2025. Elevated living costs continue to erode household purchasing power, particularly impacting first-time buyers who face growing challenges in saving for deposits or meeting affordability tests.

Following a sustained tightening cycle, the Bank of England held the base rate at 5.25% for 12 months until August 2024, before easing it gradually to 4.25% over the next nine months, maintaining pressure on borrowing costs. Relatively high mortgage rates compared to recent times have weighed heavily on buyer demand, leading to a decline in mortgage approvals - down approximately 10% year-on-year—and slowing transaction volumes. Despite this, house price corrections remain moderate, with supply constraints and strong rental demand offering some market stability.

What's to come?

Following the expiration of temporary stamp duty relief in March 2025 and inflationary pressures, it is expected to further suppress short-term buyer activity. While construction activity remains subdued, targeted infrastructure investment offers a potential growth lever. Overall, market sentiment remains cautious, with the trajectory of interest rates and inflation set to determine the pace and strength of recovery in the housing sector.

"Over the last five years, the world has been very different… Whatever we call this period, a sequence of unprecedented global shocks has created a very challenging environment for monetary policy. The largest pandemic in a century, the largest war in Europe since 1945, and now a trade war between the world's two largest economies – these are not small and simple disturbances to aggregate demand, and they come against a backdrop of low productivity growth and ageing populations… Our economies have suffered; inflation has surged.

As the economic effects of these shocks have faded and inflation has come down, we do also have a positive story to tell. The nominal anchor has remained intact. Inflation targeting – through forceful action to lean against second-round effects from the global shocks on domestic price and wage setting with a restrictive monetary policy stance – is working to return inflation sustainably to target. It is testament to the strength and resilience of this framework that we can say we are on course to put the inflation surge firmly behind us."

Andrew Bailey, Governor of the Bank of England *(9 May 2025)*

Local Context

Rapid Local Growth

Exeter Plan proposes 13,975 new homes over the next twenty years to meet the government's housebuilding targets

Exeter's Strengths

As one of the main urban hubs within Devon, Exeter has a prosperous economy with a Gross Value Added (GVA) of £6.5 billion in 2024, according to Oxford Economics.

Exeter has strong transport links with the M5, A303 and rail network providing access to London, Bristol and the West Midlands. Exeter Airport is situated 6 miles to the east of the city.

Exeter City of Literature
Made of our stories

Source: Exeter City of Literature

Exeter has a vibrant cultural scene: it has been a UNESCO City of Literature since 2019 and is home to the Exeter Chiefs Rugby Club, which was promoted to the Premiership (England's top division of rugby) for the first time in 2010. Since promotion, the Chiefs have won the championship twice.

The Met Office has its headquarters in Exeter, helping to attract the largest number of meteorologists and climate specialists in the UK. There is also strong retail investment in the city through companies such as IKEA and John Lewis.

Over half of Exeter's workforce is well qualified, substantially higher than the national average, and its unemployment benefit claimant count rate was 2.3% in 2025, compared to 4% nationally.

The University of Exeter is a strong attractor of youth and diversity to the area. It is a prestigious Russell Group university, ranking 13th in the UK Good University Guide 2024. There were over 29,500 full time students in the academic year 2023/2024, which is expected to increase in future years.

These strengths provide opportunities for investment in Exeter, with a number of them specifically highlighted in the market engagement undertaken with developers, investors and real estate advisors as reasons for investment in the city.

The Exeter Vision aims to build on the city's strengths by setting out ambitions for the coming decades.

> *"By the time they are an adult, a child born in Exeter today will live in a city that is inclusive, healthy and sustainable - a city where the opportunities and benefits of prosperity are shared and all citizens are able to participate fully in the city's economic, social, cultural and civic life."*
>
> ***Exeter Vision 2040***

Exeter's Housing

The demand for housing in Exeter stems from the city's rapidly growing population, which is one of the fastest in the UK relative to its size. There are currently 130,800 residents, and this is predicted to reach 150,850 by 2034, an increase of 8.4% over ten years.

+8.4%

10-Year Population Growth Forecast

Target of 804 New Homes Annually

807

Homes Delivered Annually

Similar to the rest of the UK, Exeter is facing a severe housing crisis, especially in affordable housing for younger generations.

The Devon Housing Commission released a report in 2024 that identified some of the key causes as price inflation by relocators from expensive areas, the lack of affordable rented homes, and complex governance structures that complicate the planning and development process.

While these issues mirror the rest of the South West, the situation in Devon is particularly acute. With half the amount of social housing available from councils and housing associations compared to the English average, homeownership and rental options are increasingly out of reach for those with average or lower incomes. Exeter's average house price was £308,000 in November 2024, and its affordability ratio was 8.6.

As a result, homelessness is on the rise in Exeter, with the demand for local authority temporary homeless accommodation doubling between 2020-2023.

The increase in University of Exeter students, up from 11,000 in 2006 to 27,000 in 2021, places further pressure on the city's housing stock, although this demand has driven much of the housing supply in recent years, with developers seeking to invest in student accommodation. So much so that Exeter City Council (ECC) have a planning policy to control any further increase of House of Multiple Occupancy (HMO) in certain areas to manage the impact of student housing.

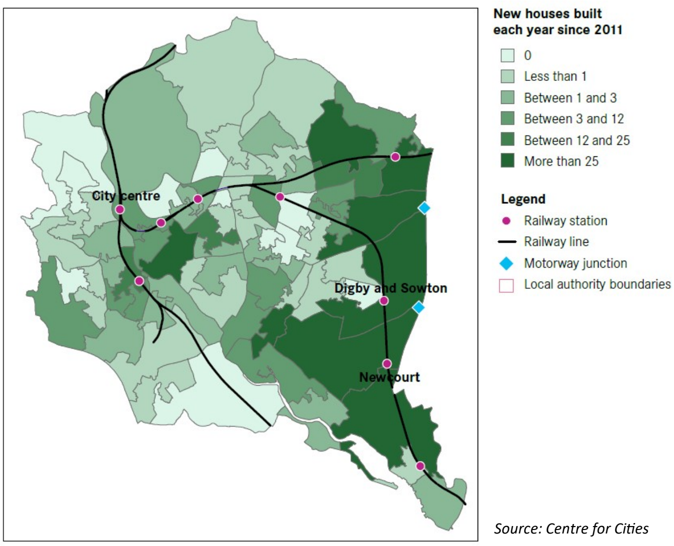
The Exeter Plan

Exeter City Council have outlined their housing strategy in the emerging Exeter Plan, which proposes to build 13,975 homes between 2021-2041, allowing for headroom above the government's mandatory target of 12,840 homes at the time, when the Plan was drafted.

The government's targets are formed on household projections and are adjusted for affordability and existing housing stock. As such, the new Standard Method calls for annual delivery of 804 homes across Exeter. The previous five years have had an average of 807 homes completed per annum, including contributions from purpose built student accommodation (PBSA).

To address this shortage and meet the housing targets, the Exeter Plan sets out the ambition for new developments to be mainly focused on strategic brownfield sites, particularly in locations close to the city centre. There is also a strong emphasis on sustainability by increasing the opportunities for active travel and promoting net-zero developments.

Brownfield development brings challenges, not least from a viability perspective. Encouragingly though, the market engagement undertaken for this report, highlighted that a third of responders are currently investing in just brownfield, with over 50% investing in both greenfield and brownfield sites. The image below shows the areas where housing was built since 2011 in Exeter.



Source: Centre for Cities

Expert Insight: Local Area Real Estate Analysis

Source: Savills *(April 2025)*

Exeter Housing Market in Numbers

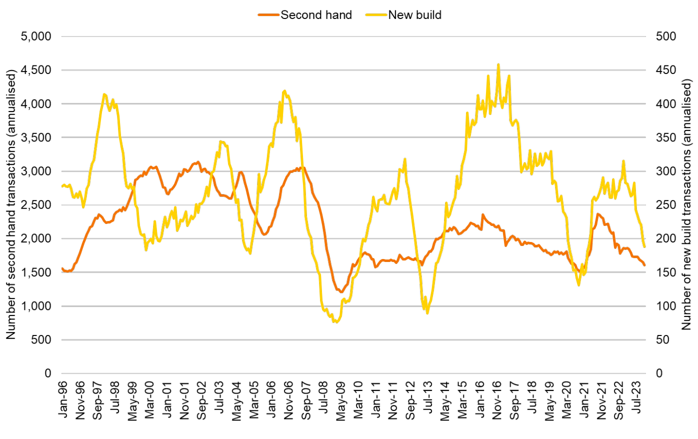
As part of this report, Global City Futures commissioned Savills to provide detailed technical insight into the housing market in Exeter. This section provides their analysis and findings, with some headlines / themes also having been incorporated into the Local Context section.

Housing Development

Exeter has recently seen a strong period of residential development, with a notable peak in new homes being completed in the year to December 2022. While the pace of housebuilding has eased since then, the city continues to deliver new housing, contributing to the ongoing growth and evolution of its residential landscape. Exeter's track record demonstrates its capacity for significant development, and the foundations remain in place for future growth.

The second-hand housing market in Exeter is considerably larger than the new build sector, typically accounting for around eight times as many transactions. In the year to December 2023, there were 1,611 second-hand sales across the local authority—down 32% from the market peak recorded in the year to September 2021.

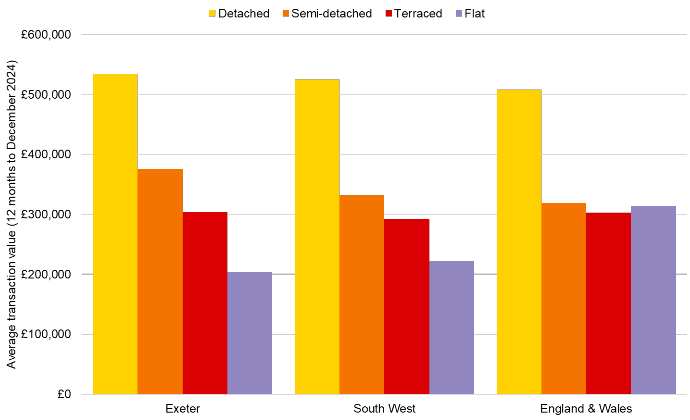
The decline in both new build completions and second-hand transactions reflects broader national trends, with elevated mortgage rates, economic uncertainty, and affordability constraints continuing to suppress market activity.



*Data excludes Purpose Build Student Accommodation (PBSA)

Housing Valuation

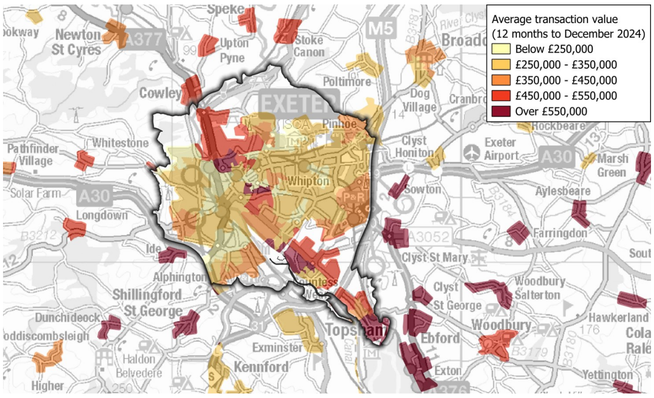
House prices in Exeter are broadly comparable to, or slightly below, regional and national averages. Over the 12 months to December 2024, the average property in Exeter sold for £341,000—below both the South West average (£357,800) and the England & Wales average (£359,900). These regional figures are influenced by higher-value markets such as Bristol, which have elevated average values across the South West.



The region experienced significant price growth following the COVID-19 pandemic, driven by increased demand for rural and coastal locations. However, a rebalancing is now underway, with many of these areas seeing price declines over the past year.

Flats in Exeter continue to sell at a notable discount compared to regional and national benchmarks. The average flat sold for £204,000 in the year to December 2024—8% below the South West average and 35% below the national average. This disparity reflects the influence of high-value urban centres such as Bristol, Birmingham, and London, where flatted accommodation commands a significant premium.

Values in Exeter are strongest towards Topsham



Property values across Exeter vary significantly by location, with the highest values concentrated in the south-east of the city and surrounding villages. In the 12 months to December 2024, average sale prices in the city centre remained below £250,000 in areas such as St David's and St James. In contrast, properties in Duryard and Pennsylvania—close to the university—recorded average values exceeding £450,000.

Topsham, to the south-east of Exeter, continues to command the highest prices within the local authority, with average values surpassing £600,000 over the same period.

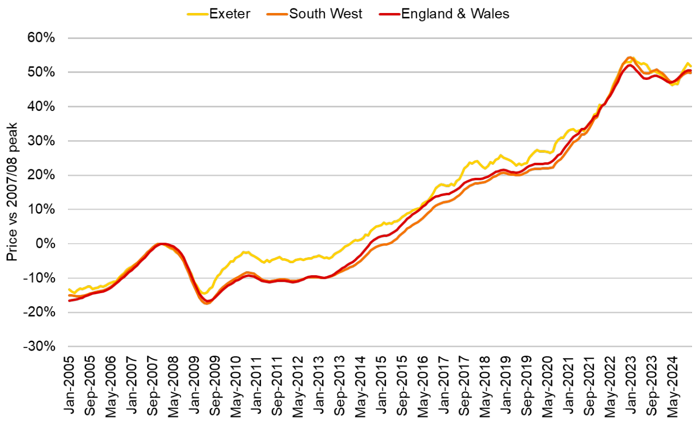
This variation reflects Exeter's diverse housing market, with value concentrated in well-connected, amenity-rich, and high-demand areas.

Volatility in Values

House prices in Exeter have experienced notable volatility over the past two years. While long-term growth has been strong, values have recently softened in response to wider market pressures.

As of December 2024, average house prices in Exeter were 52% above their 2007/08 peak—outpacing the South West region, where prices rose by approximately 50% over the same period. However, following a sustained period of growth, values in Exeter peaked in mid-2023 before entering a downward trend.

This decline has been driven by reduced transaction volumes, weaker market sentiment, and broader economic uncertainty. As a result, average house prices in Exeter have now returned to levels last seen at the start of 2023.

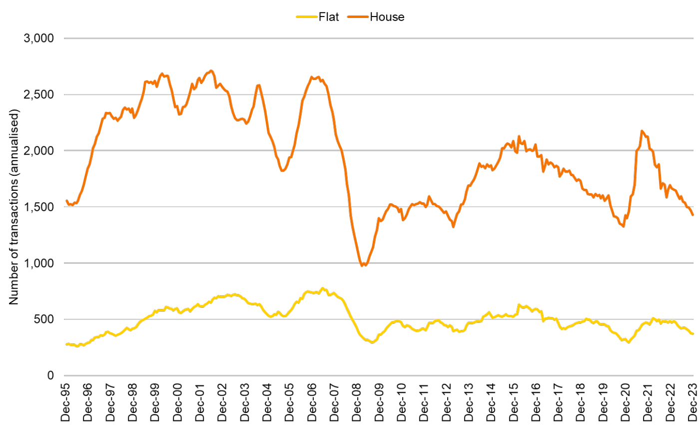


Types of Homes

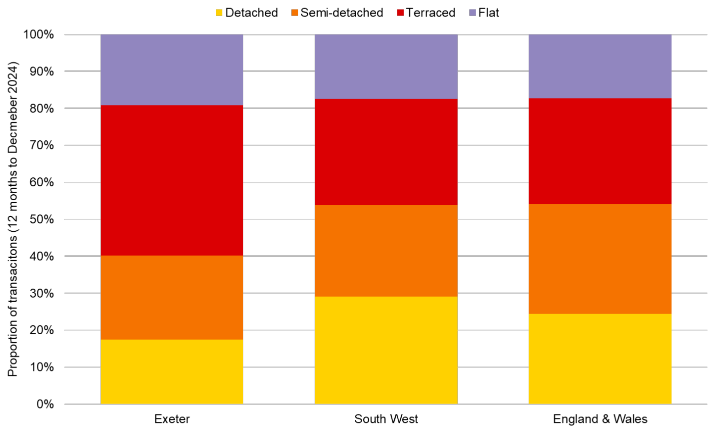
Houses make up a much larger share of Exeter's housing market than flats, with sales occurring at a ratio of roughly 3:1. In the 12 months to December 2023, 1,428 houses were sold - almost four times the number of flats - highlighting a clear market opportunity that the Exeter Plan seeks to address through its strategic allocations.

Despite this dominance, house sales have seen a steeper decline in recent years. Transactions fell by 34% from a peak of 2,178 in the year to September 2021, equating to an average annual decrease of 17%. By contrast, flat sales declined more gradually, falling by 27% from a peak of 511 in March 2022—an average annual fall of 16% from a lower base.

These declines reflect national market trends, where elevated mortgage rates have constrained affordability and reduced buyer activity.



Terraced homes were the most commonly sold property type in Exeter over the 12 months to December 2023, accounting for 41% of all residential transactions. This is significantly higher than both the regional and national averages, where terraces represented just 29% of sales. The prevalence of terraced housing reflects Exeter's high-density urban character, with Victorian terraces comprising a substantial proportion of the housing stock.



In contrast, detached homes accounted for just 17% of sales in Exeter—less than the 29% recorded across the wider South West. Only around 230 detached properties were sold during the year, highlighting a marked difference from the regional norm. This disparity reflects Exeter's more compact urban form, compared to the South West's predominantly rural housing markets, which naturally support a higher proportion of larger, detached homes.

What's to come?

Recent evidence suggests we are in the late stages of a typical housing market cycle. Changes brought about by the pandemic have caused some disruption to cyclical trends.

The areas that have seen the most significant price falls since interest rates spiked in 2022 are rural and coastal areas that have become less attractive as working from home has become less widespread. The need to return to areas more connected to major employment hubs has driven slightly stronger than expected performance in London over the last 12 months.

Our expectation is there continues to be some residual impact from the pandemic into 2025, bringing growth in the South West and East of England below that of the capital.

Transactions in 2023 were 19% below the long-term average, and although a modest rebound occurred in 2024, volumes in the first half of the year remained 11% below typical levels.

	2025	2026	2027	2028	2029	5 years to 2029
North West	5.0%	7.0%	6.5%	4.5%	3.5%	29.4%
North East	5.0%	6.5%	6.0%	4.5%	3.5%	28.2%
Yorkshire and The Humber	5.0%	6.5%	6.0%	4.5%	3.5%	28.2%
West Midlands	4.5%	6.0%	6.0%	4.5%	3.0%	26.4%
Scotland	5.0%	6.0%	5.5%	4.0%	3.0%	25.8%
Wales	3.5%	5.5%	6.0%	4.5%	3.5%	25.2%
East Midlands	4.0%	5.5%	5.5%	4.5%	3.0%	24.6%
South West	**2.5%**	**5.5%**	**5.0%**	**4.0%**	**3.0%**	**21.6%**
East of England	2.5%	5.0%	4.5%	3.5%	3.0%	19.9%
South East	3.0%	4.0%	3.5%	3.5%	2.5%	17.6%
London	3.0%	4.0%	3.5%	3.0%	2.5%	17.1%
UK	4.0%	5.5%	5.0%	4.0%	3.0%	23.4%

Savills mainstream house price forecasts (November 2024)

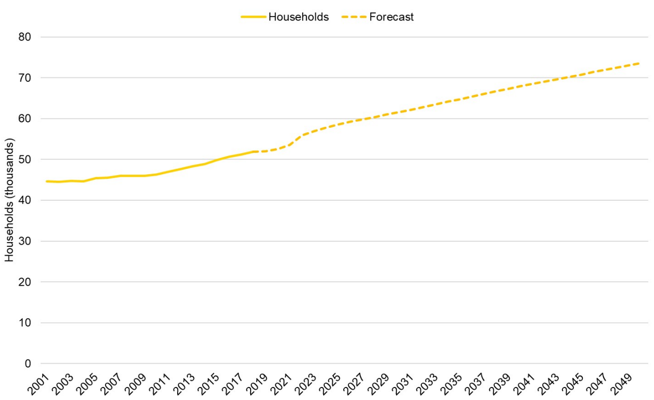
Transaction volumes are forecast to rise gradually over the next five years, as represented below, with first-time buyers expected to lead the recovery. While house prices have remained more resilient than anticipated, this masks a significant decline in market activity.

Buyer type	2017-19 annual average	2025	2026	2027	2028	2029
Mortgaged home movers	351,000	280,000	300,000	350,000	360,000	340,000
Mortgaged first time buyers	350,000	330,000	340,000	340,000	340,000	340,000
Mortgaged Buy-to-Let (BtL)	77,000	50,000	55,000	60,000	60,000	60,000
Cash buyers	418,000	380,000	400,000	390,000	390,000	400,000
Total	1,196,000	1,040,000	1,090,000	1,140,000	1,150,000	1,140,000

Market performance has varied across buyer segments, with some areas experiencing a sharper slowdown. Looking ahead, growth in activity is expected to continue into 2025 and 2026, though the recovery is likely to be uneven. The additional stamp duty surcharge introduced in the Budget is expected to suppress demand from mortgaged buy-to-let investors and cash buyers, moderating recovery in those segments.

Exeter Forecast

Exeter recorded 57,860 households in 2024, marking an 18.3% increase over the past decade—an average annual growth rate of 1.7%. The most significant rise occurred between 2021 and 2022, when household numbers grew by 4.3%. Looking ahead, Oxford Economics forecasts an average annual increase of 1% over the next ten years, equating to an additional 6,260 households by 2034.

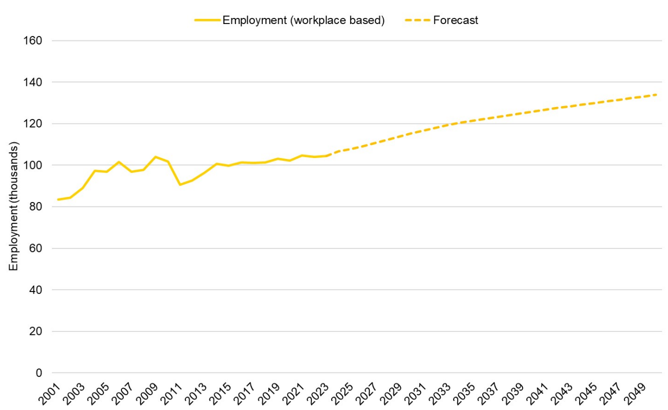


These household projections underpin the Government's standard method for calculating local housing need. The Exeter Plan is looking to accommodate the annual target for development of 642 new homes per year.

Over the past five years, the city has delivered an average of 632 new homes annually (excluding purpose-built student accommodation). This reflects consistent progress towards meeting Exeter's housing needs, with just a modest increase in delivery required to achieve the overall target.

According to Oxford Economics, Exeter supported approximately 106,600 jobs in 2024, marking a 2.1% increase year-on-year and 5.9% growth over the past decade. The city's previous employment peak was recorded in 2009 at 104,100 jobs, before declining sharply in 2010 and 2011 due to the impacts of the Global Financial Crisis.

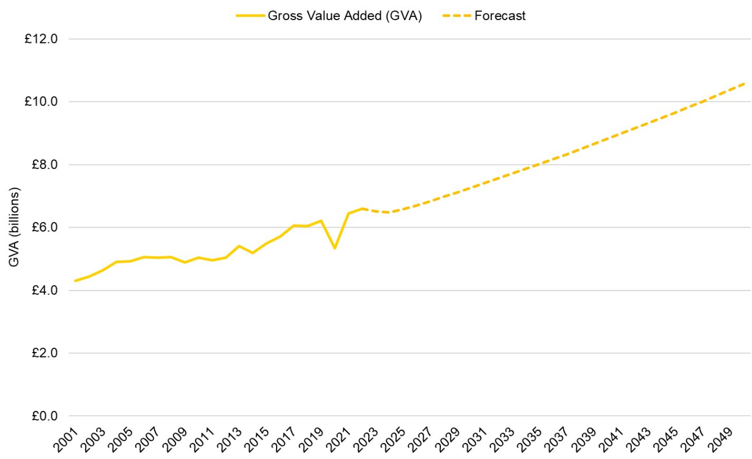
Employment in Exeter is expected to grow steadily over the coming years, which will support increased demand for housing across the city .



The professional, scientific, and technical sector is expected to see some of the strongest growth over the next 10 years.

Continued growth in high-skilled employment will further strengthen Exeter's economic base and support long-term demand for housing and infrastructure.

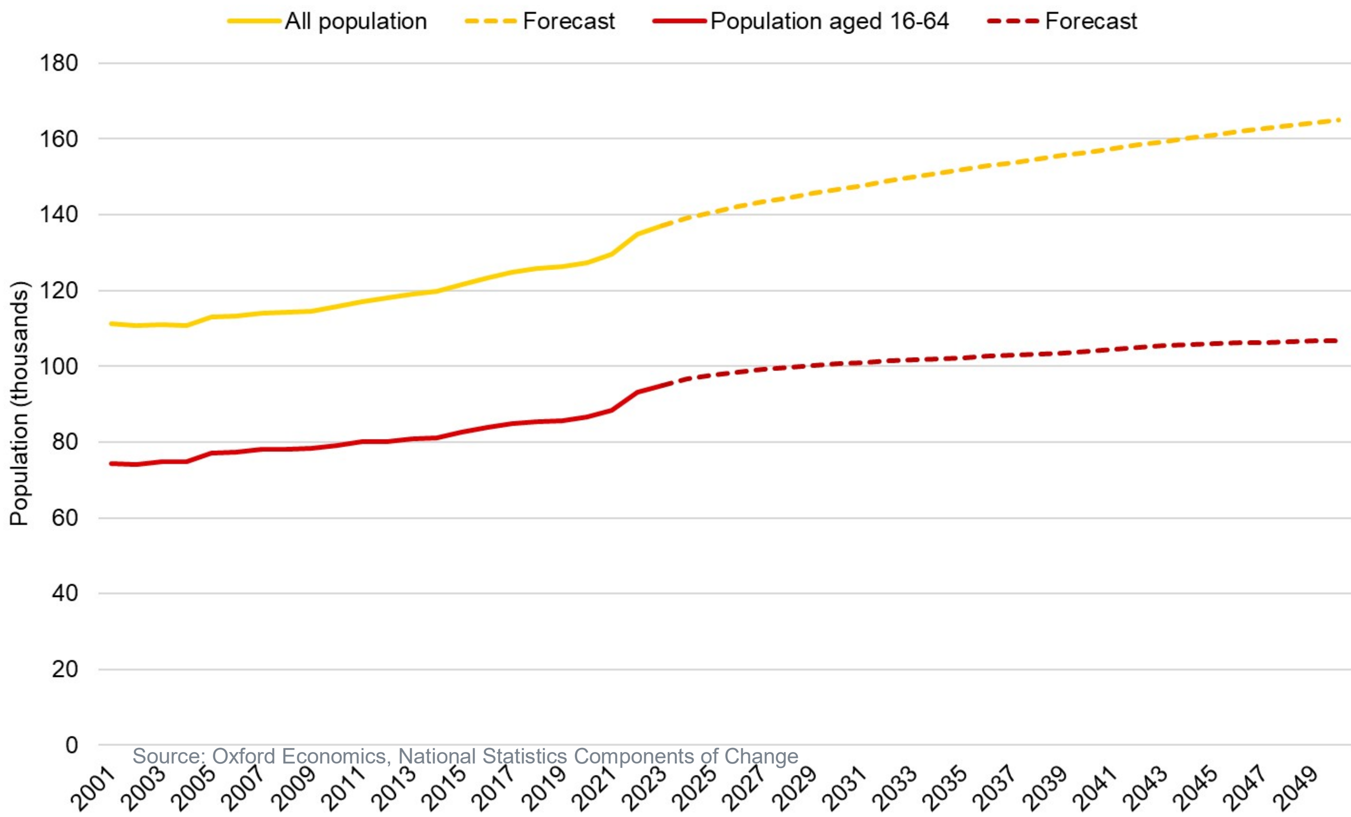
Gross Value Added (GVA) in Exeter is forecast to rise by £1.2 billion over the next decade, reaching £7.9 billion by 2034. According to Oxford Economics, GVA stood at £6.5 billion in 2024–up 24.7% from £5.2 billion in 2014. While growth temporarily dipped in 2020 due to the COVID-19 pandemic, a return to trend was observed by 2022.



Looking ahead, GVA is projected to grow by 21% over the next ten years, in line with pre-pandemic trends. The Electricity, Gas, Steam and Air sector is anticipated to experience notable growth, while Human Health and Social Work is expected to play an increasingly important role in Exeter's local economy over time.

Population Growth and Demographic Change in Exeter

Exeter's total population is projected to reach approximately 150,850 by 2034 and 160,150 by 2044. This represents a 15.1% increase over 20 years, with an average annual growth rate of 0.7%. Growth is stronger in the next decade (8.4% or 0.8% annually), though it moderates slightly thereafter.



The working-age population (currently 96,730) is expected to rise to 101,950 by 2034 – an increase of 5.4%. However, growth will slow significantly beyond this point, with an overall increase of just 9.3% by 2044 (0.4% average annual growth).

The faster growth of the total population relative to the working-age group reflects an ageing demographic trend, consistent with national forecasts. This shift is likely to place greater pressure on social care services, and potentially reduce the resilience of the local tax base.

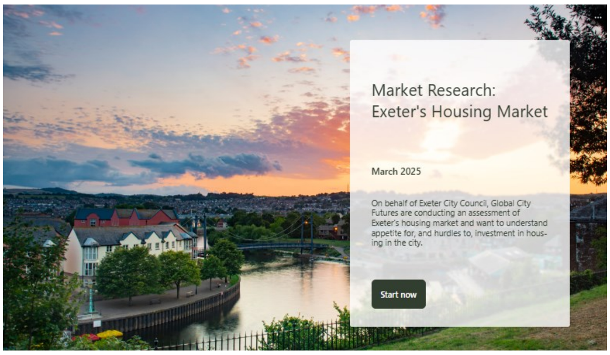
Market Insights

Source: Market Engagement Survey (March– April 2025)

Background

Exeter City Council commissioned this piece of work with an explicit goal of gaining insights from the private sector as to their assessment of the housing market in Exeter and their appetite, and criteria, for investment in the city.

To facilitate this market engagement, Exeter City Council commissioned a survey to be circulated to a range of financial institutions, developers and real estate agents. The survey sought to draw on stakeholder's experience to identify any hurdles to development and investment within the city, as well as understanding what drives those investors to choose Exeter.



Methodology

Ensuring a wide range of viewpoints were considered was crucial to ensuring a comprehensive dataset, and the views were sought from various sectors of the housing industry, from investors to housing associations.

Exeter City Council and consultants, Global City Futures, co-authored the survey, with multiple workshops, iterations and pilot tests carried out in the process. The questions were informed by national and local context, and by the Exeter City Council's longstanding expertise in this area.

Once a final version had been designed and agreed, targeted emails were sent to 80 companies working within the housing market, both within Exeter and beyond.

The final response rate was 24%.

Breakdown of Results

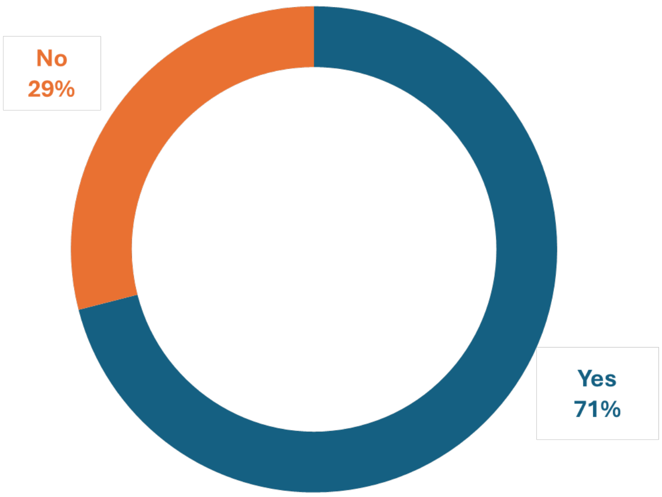
There was a good cross-section of respondents across the different types of organisations, and also in relation to their locality. It is important to note however, that whilst the response rate was positive at 24%, this does equate to 19 individual responses. This still provides insightful data but needs to be considered within the context of a small pool.

All results and conclusions should be considered within this context.

Experience of Exeter

Fundamentally the first detail that needed to be ascertained about respondents was their level of experience within Exeter. From those that did respond, the survey found that 71% had either past or current relationships and/or investments within Exeter, whether that was through their work, or their client's.

Does your organisation / do your clients have existing real estate relationships / investments within Exeter, or have you / your clients invested in Exeter in the past?

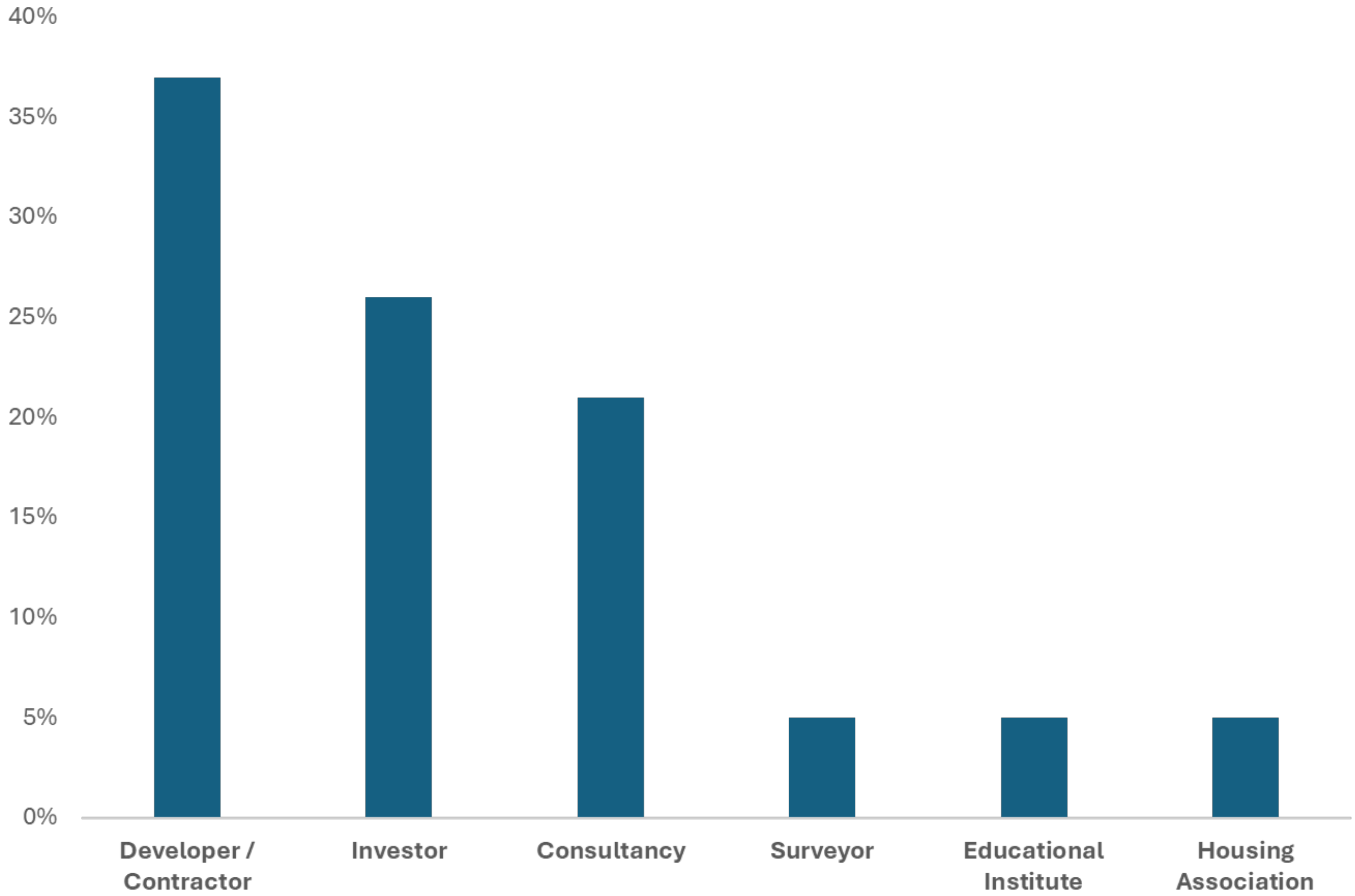


Of those that operate (whether that be themselves or their client (s)) within Exeter, 27% have had a presence for at least 50 years and a further 47% have been operating within the city for over 10 years.

Type of Respondents

Type of Organisation

The survey gained responses from a wide range of sectors. By order of response rate there were, developers and/or investors, consultancies, construction companies, surveyors, educational institutes and housing associations.



Primary Location of Respondents

Respondents were asked to mark their primary location, as a means to understand what percentage of the respondents could be considered local vs national. 25% were based in Exeter, with a further 50% in the South West, meaning responses were given in the context of strong local representation and experience.

Priorities for Investment

Summary of findings: *Respondents confirmed well recognised views nationally in that planning is a consistent issue and blocker to development and that alongside the requirements for commercial return, which in light of the challenges that have been highlighted in this report at both national and local level around cost inflation (e.g., cost inflation, high mortgage rates) is increasingly challenging and preventing investment.*

Initial Requirements

The questions in this engagement piece were designed to glean a greater understanding of what it is organisations look for when choosing to invest within Exeter. Multiple questions asked respondents to detail their priorities at each stage of investment.

Firstly, they were asked what they would require to consider an investment opportunity, and to mark the importance of key criteria.

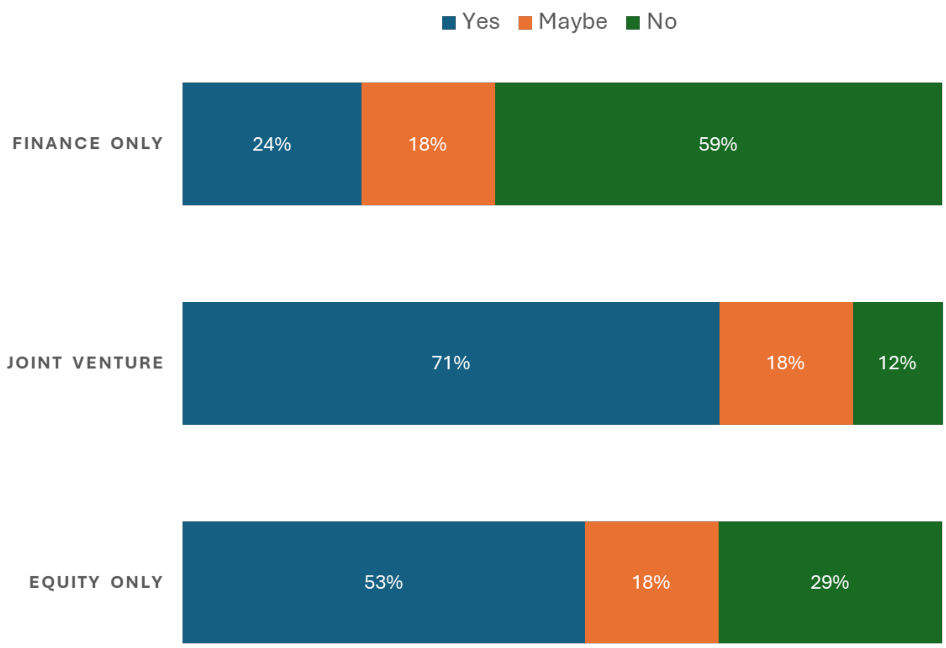
Consistently, the highest rated priorities were:

- Commercial level returns
- Ease of planning
- Long term income

Also highlighted were workforce, supply chains, and opportunities to deliver additional environmental and social value.

Funding Model

The respondents were then asked a further question on which funding model they would be willing to consider when investing. The results suggest a strong desire for equity investment, although not necessarily through sole ownership as demonstrated by the vast majority being open to joint venture arrangement. A finance-only approach was not considered preferable for more than half of the responders, however this will have been influenced by the limited number of investor-only organisations that participated in the survey.



Priorities for Investment

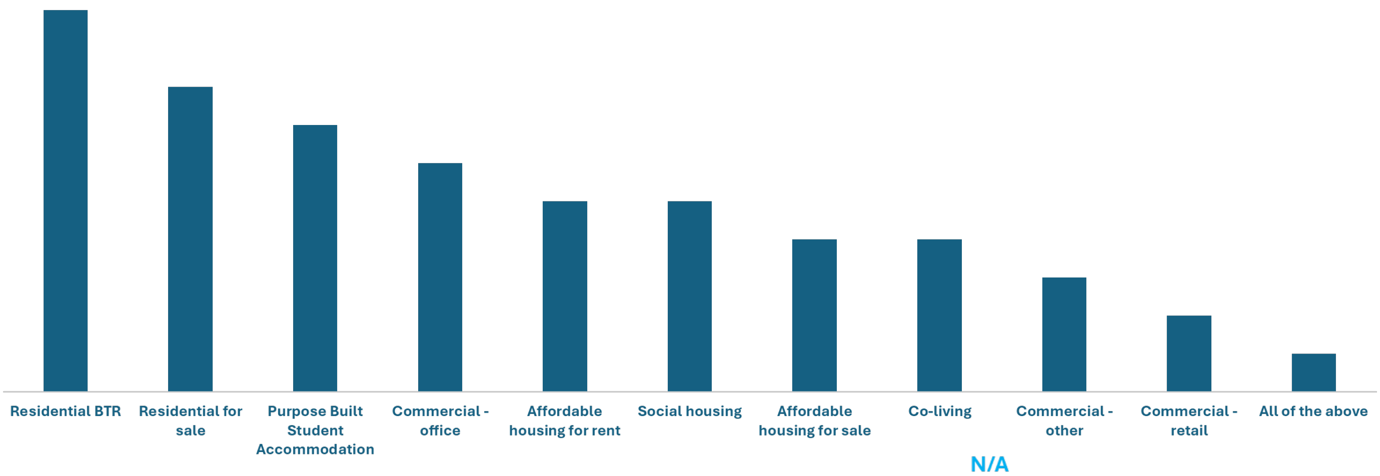
Summary of findings: *The results show a clear appetite for residential Build to Rent (BTR), which is notable given the historically reduced level of transactions in this sector, as demonstrated within the Savills analysis. This could indicate a potential opportunity for future development within Exeter.*

As expected, residential for sale and PBSA perform strongly, of which the majority of development has been seen in recent years within Exeter.

There is good appetite for affordable and social housing which is critical given the local need highlighted in this area. The reduced appetite for commercial development, excluding for office purposes, is perhaps indicative of responses provided below in relation to potential challenges to investment that highlighted a concern over a need for regeneration with the city centre.

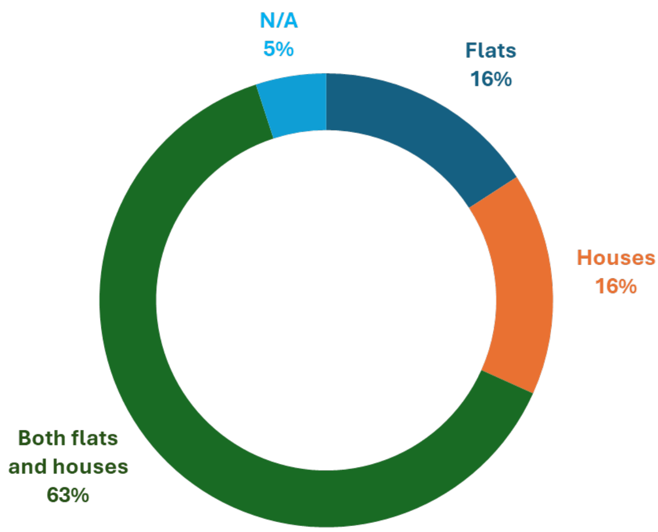
Type of Investment

With regards to the type of investment, respondents prioritised residential BTR, residential for sale, purpose-built student accommodation, and conversion of commercial premises. Planning activity also indicates growing interest in co-living schemes, with several high-profile proposals emerging in Exeter.



Residential

For those who had selected residential options, 63% were interested in investing in developing both flats and houses.



Size of Flats/Houses

When asked if the size of the flat or house was important, there was a mix of preferences, and one individual stated:

"a mix of unit sizes is preferable given city-centre preference and flatted developments"

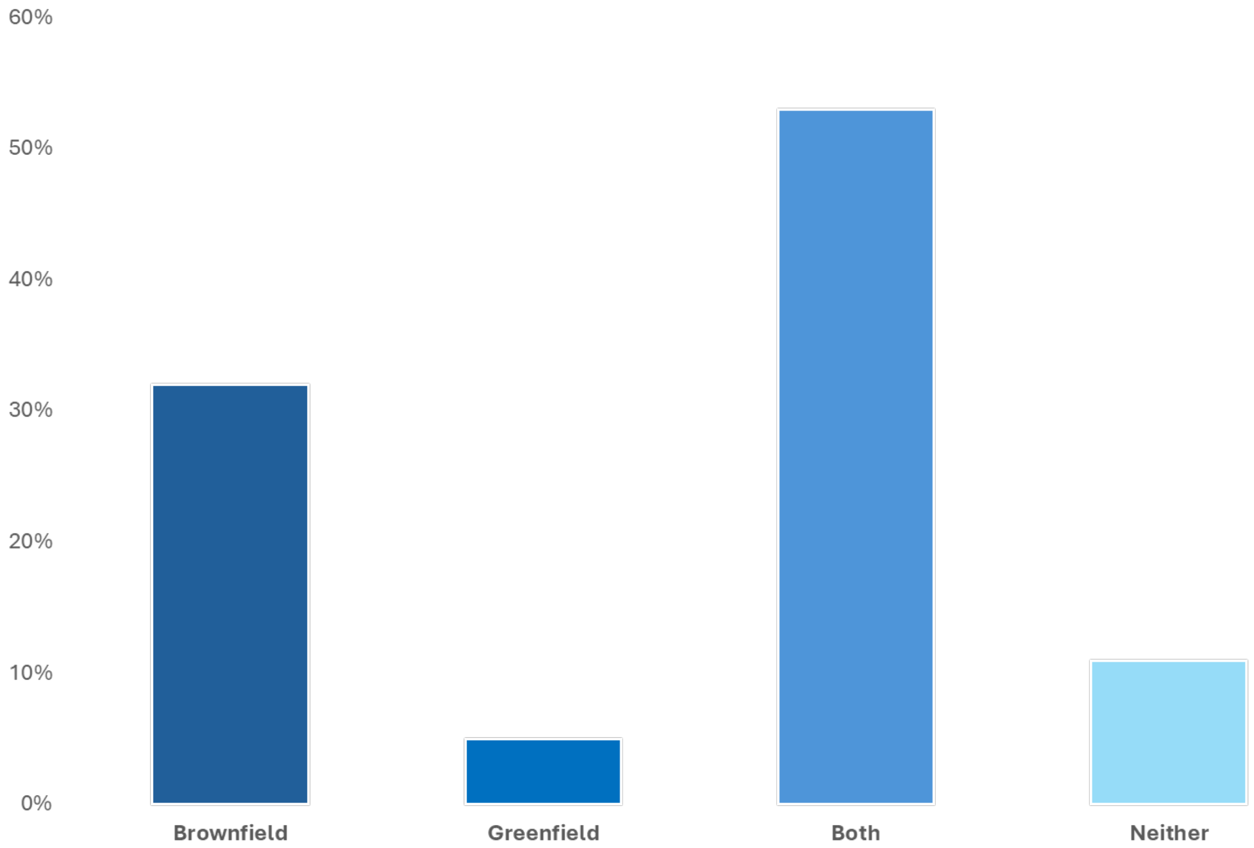
Summary of findings: *The evenly split appetite between flats and houses, and the vast majority that would consider both, potentially indicates a shift in expectations for the city going forward away from the traditional desire for houses vs flats, as city centre living becomes more prevalent.*

Investment in Brownfield

Summary of findings: *The findings indicate a positive level of interest in investing in brownfield sites in Exeter, reflecting the potential for further development. Public sector support remains critical to help unlock these opportunities at scale.*

Brownfield vs Greenfield

Given development on brownfield sites is a key priority in the both Government's long-term housing plan, and Exeter's, it was important to establish respondents' level of interest in investing in brownfield opportunities. The results found that a third are already currently investing in just brownfield, and over 50% are investing in both greenfield and brownfield sites.



The market is drawn to brownfield sites in Exeter because of their potential to revitalise underused areas and contribute to sustainable urban growth. While respondents acknowledged that cost, complexity, and biodiversity requirements can present challenges, there remains a strong appetite for brownfield development. With the right support and innovative approaches, these sites offer real opportunities for regeneration and can play a key role in meeting Exeter's housing and growth ambitions.

"Hard to come by and complicated"

"BNG is becoming increasingly difficult to manage from a viability point of view"

"Cost is a key factor"

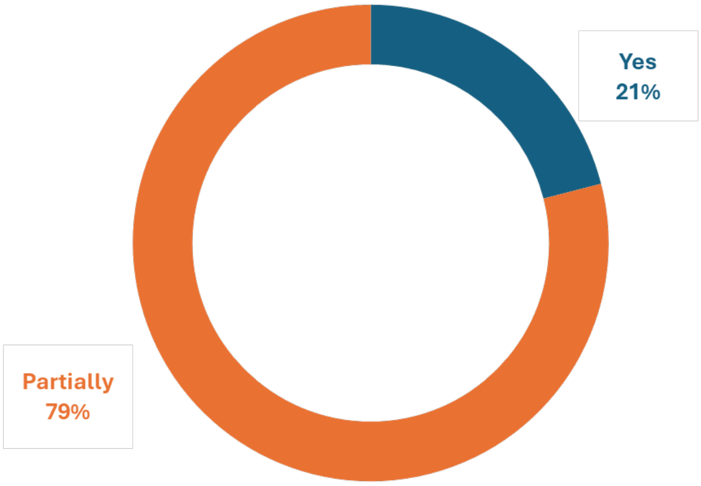
"Risk of unknowns"

"Viability"

Opportunities

Meeting Expectations

Once the respondents' demographics and preferences were established, the survey aimed to understand, in greater depth, the respondents' experience of operating within Exeter. Firstly, respondents were asked if they/their client's investment(s) had met their expectations and objectives. All respondents answered that these investments had either partially or fully met their expectations and objectives and, positively, not a single respondent answered that it had not met their expectations.



Why Exeter?

Respondents were asked in an open-form question to explain why they/their clients had selected Exeter over other areas. References to Exeter's strong presence in the South West, good transport links and reliable rates of demand were made frequently.

"Arguably it's the best location for a business to be based in the South West"

"The presence of a world class university"

"City Council [that is] committed to growth and fostering positive partnerships with business"

"A strong demand for good quality housing"

"Strong economy"

"Exeter is a growing city"

"It is a strong market"

"Exeter is a vibrant city with good links to the South West regions"

"The occupancy rates are reliable and high"

Potential Challenges to Investment

Blockers to Growth

While respondents were positive about the benefits Exeter has to offer, they also highlighted certain hurdles to potential future investment. In particular they highlighted challenges with planning, and the need for regeneration.

Planning Permission

Respondents shared a range of perspectives on the planning consent process in Exeter, highlighting both ongoing challenges and areas of positive engagement.

Key themes from the responses:

1. There is a general sense that securing planning consent can take longer than expected, with opportunities to improve timescales.
2. Some respondents would welcome more opportunities to bring forward land-led sites, particularly in collaboration with Exeter City Council.
3. Despite extended timeframe, positive relationships with the Council have been developed, supporting progress through the process.

Need for Regeneration

Respondents highlighted opportunities to further enhance Exeter's city centre, with a clear appetite for continued investment and revitalisation.

Key points:

1. There is strong support for ongoing investment to boost the city centre's appeal and vibrancy.
2. Increasing footfall and expanding the night-time economy are seen as important priorities.
3. Attracting more shops, restaurants, and employment opportunities would help create a stronger pull factor for the city centre.
4. Encouraging more residential development in the heart of the city is viewed as key to bringing life and activity beyond working hours.
5. There is recognition that a more diverse and dynamic city centre will benefit both residents and businesses.

Summary of findings: *The input and responses highlight that respondents viewed Exeter as a great opportunity, whilst also acknowledging there are some existing challenges that need to be overcome. The themes around these challenges are both consistent with the national picture, for example issues with planning, but also highlight some specific challenges for Exeter that could be limiting current appetite for investment in the city such as a need for city-centre regeneration. This though does provide a significant opportunity for Exeter were these challenges to be addressed.*

Conclusion

While there are a number of challenges facing Exeter's housing sector, it is clear there remains strong interest from investors to bring forward new homes, including on brownfield sites. This appetite for investment is a positive signal for the city's future growth.

Importantly, new housing on sites close to the city centre can play a vital role in supporting wider urban regeneration initiatives. By encouraging development in these areas, Exeter can help create a positive cycle of investment, revitalising neighbourhoods, attracting further economic activity, and enhancing the vibrancy of the city as a whole. With continued collaboration and targeted support, Exeter is well placed to build on this momentum and deliver sustainable growth for the future.

> **"Exeter has always been a great place to do business, and the positivity of the City Council has always been a crucial element."**

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