

HOME BUILDING BY NUMBERS

AUGUST 2019



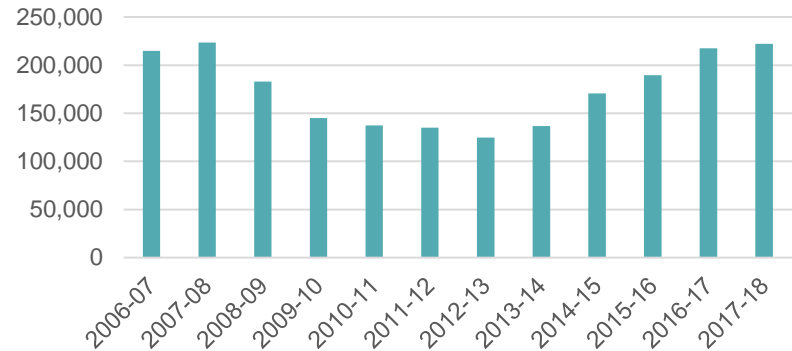
1) Housing Delivery 2017/2018:

$$222,190 = 195,290 + 34,950 - 8,050$$

Net supply = new build completion + net conversions, net change of use, net other gains - demolitions

- 222,190 net additions in 2017-18, up 2% on 2016-17
- Housing supply in England up 78% in 5 years
- New build completions accounted for 195,290 of supply
- This is a year-on-year increase of 6.4%
- Demolitions at lowest ever level – 8,050

Net additional dwellings



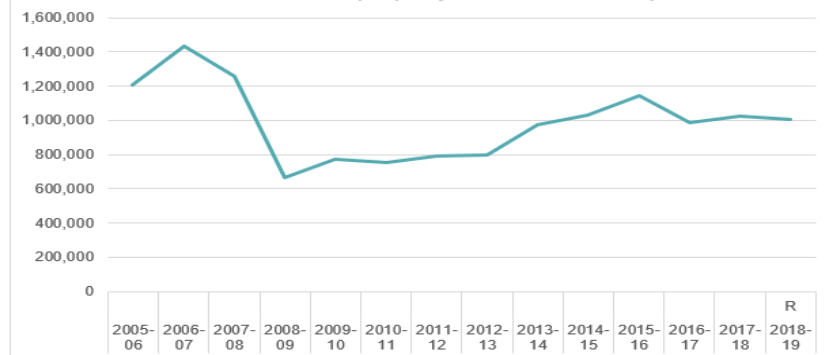
Alternative Transaction and Delivery Measures

2) RESIDENTIAL PROPERTY TRANSACTIONS

UK Residential property transactions decreased by 9.6% between May 2019 and June 2019, and were 16.5% lower than June 2018. Housing market activity continues to track at around 1 million transactions per year. In the 2018-19 financial year, 1,003,060 transactions took place in England.

Although fluctuating, the housing market continues to function. The new build sector, supported by Help to Buy, accounting for more transactions than any time in recent history.

Number of residential property transactions completions



3) HELP TO BUY

The Help to Buy Scheme is a key driver in getting first time buyers on to the property ladder.

Over the period since the launch of the Help to Buy: Equity Loan scheme (1 April 2013 to 31 March 2019), 221,405 properties were bought with an equity loan.

Most of the home purchases in the Help to Buy: Equity Loan scheme were made by First Time Buyers, accounting for 179,816 (81 per cent) of total purchases.

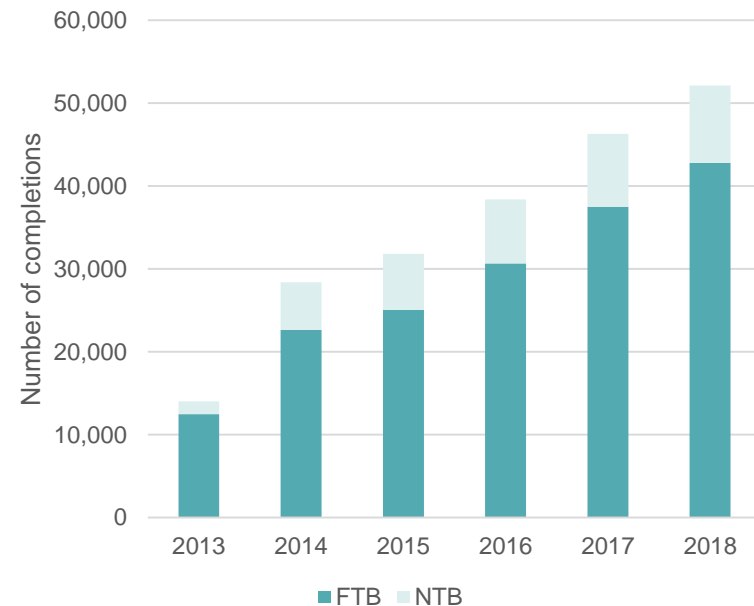
During 2018, the scheme accounted for a record 52,000 completions, up 12% on the figure recorded in 2017.

The median purchase price of all properties acquired through Help to Buy: Equity Loan in England between April 2013 and March 2019 was £235,950. In London the median stood at £420,000.

The proportion of houses sold under the scheme on a leasehold basis has declined rapidly since 2017 – sales of leasehold homes fell to 2.6% in Q1 2019.

Some critics of the scheme claim that its presence drives up new build house prices. However, since the scheme's introduction, new build prices have continued to track the wider market. In the period December 2012 to December 2017, the average new build price increased by 38.1% compared with 35.6% amongst existing properties.

Help to Buy: Equity Loan - Number of legal completions for England (Total and of which First Time Buyers and Non First Time Buyers) since launch of H2B to year ending 31 March 2019



4) NEW BUILD AND WIDER HOUSE PRICES

In England, the average price increased by 0.7% over the year to June 2019, the slowest annual growth in the UK. Growth was stronger in Wales which recorded a 4.4% increase over the year to May 2019.

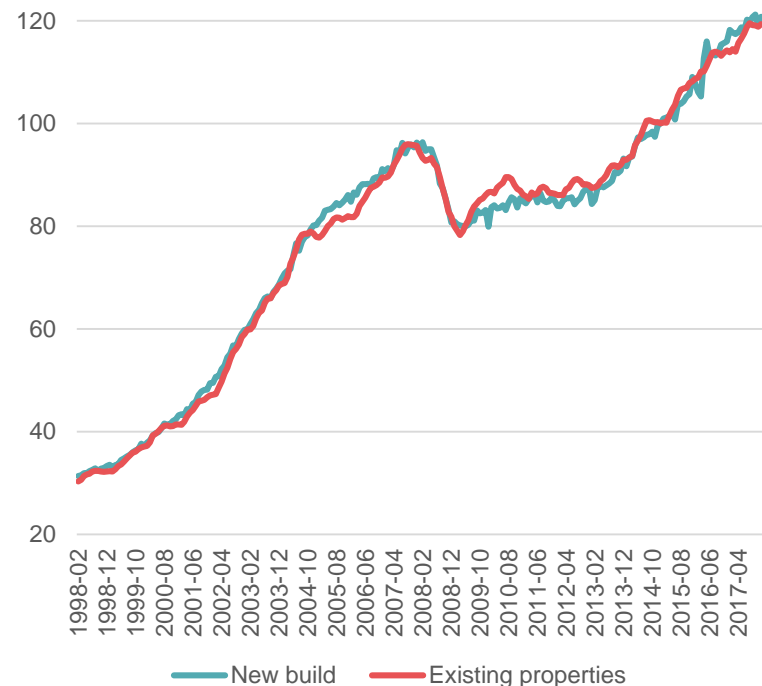
The regional data for England indicates that:

- East Midlands was the English region with the highest annual house price growth, with prices increasing by 3.2% in the year to June 2019
- This was followed by the West Midlands, with prices increasing by 2.6%
- The lowest annual growth was in London where prices fell by 2.7% over the year to June 2019, up from a fall of 3.1% in May 2019
- This was followed by the South East, where prices fell by 0.6% over the year

In the UK, house prices rose by 0.9% in the year to June 2019, unchanged from May 2019.

Despite some claims to the contrary, new build prices have historically tracked the wider housing market and continue to do so. Between January 2015 and December 2017, on average, new build prices increased by 20.8% compared with 19.4% amongst second hand properties.

House Price Index: New build and existing properties, 1998 to 2017
(January 2015 = 100)



Other Key Statistics

5) BUILD QUALITY AND CUSTOMER SATISFACTION

87% of new home purchasers, up 1% from the previous year, would recommend their builder to a friend and over 90% say they would buy a new build home again, according to the latest customer satisfaction survey carried out by HBF. As output increases the industry is intensely focussed on ensuring quality levels and customer satisfaction levels continue to improve.

In the 2017/18 survey year, 98,876 questionnaires were sent out with a response rate of 60%. This response rate is very strong for a mixed-method survey design and compares very well with other consumer surveys.

7) RECENT PLANNING PERMISSIONS

Planning permissions continue to be granted at high levels. Permission was granted for 369,417 new homes in 2018, demonstrating the huge investment being made by developers as they build on recent increases in housing supply to deliver even more new homes.

However permissions were down on the record highs seen a year earlier (371,878).

6) AFFORDABLE HOUSING

47,124 affordable homes were delivered in England in 2017-18, a 12% increase on the previous year.

Private sector housing delivery is now responsible for providing around half of all new affordable homes; 49% of all affordable homes delivered in 2017-18 were funded through section 106 agreements.

As part of an overall contribution of £6bn towards community benefits, research by Government has found that of the £4bn contribution that private residential development made towards affordable housing in 2016/17, one-quarter went into providing new social rented properties, making the private sector the largest contributor towards the provision of new social homes.

8) ENERGY PERFORMANCE CERTIFICATES

In the year to June 2019, 246,000 Energy Performance Certificate (EPCs) were issued on new homes, an increase of 9% on the previous year, and the largest annual total for new properties since 2008 when the statistical record began.

84% of new builds were granted an A-B EPC rating in Q2 2019 in comparison to just 3.1% of existing dwellings, demonstrating the impressive energy efficiency of new build homes.



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