



New Housing Pipeline

Q4 2010 report

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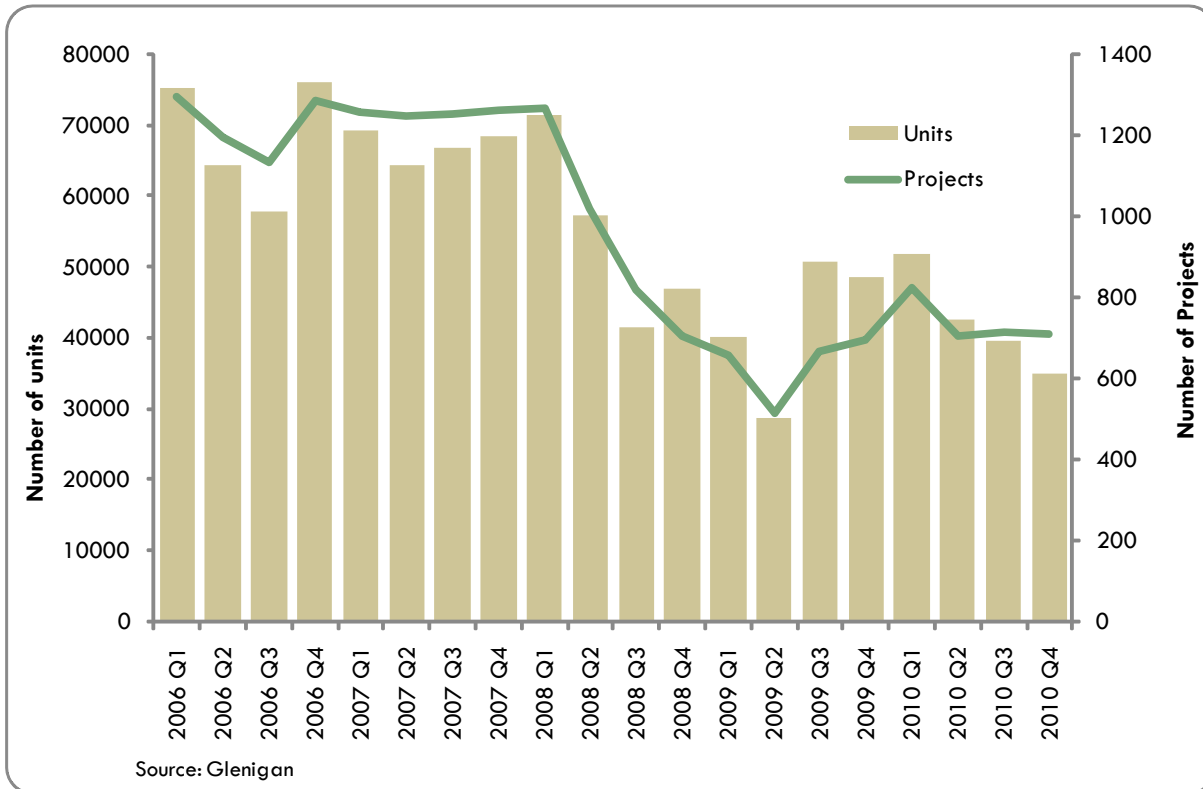
Analysis of market conditions and prospects prepared by
Glenigan.

New Housing Pipeline

The flow of residential approvals weakened for a third consecutive quarter during the closing months of 2010 as a modest pick up in approvals during the second half of 2009 and early 2010 lost momentum. Although the number of new homes being approved by local authorities remains above the low point reached during the second quarter of 2009, approvals are sharply down on pre-recession levels seen during 2006 and 2007.

Glenigan recorded the approval of 33,000 residential units¹ during the fourth quarter of 2010, a 9% decline on the previous quarter and a 22% drop on a year ago. This compares to a low of 25,200 residential units approved during the second quarter of 2009 and a quarterly average of 64,500 during 2006 and 2007. Overall planning approvals during 2010 as a whole were 4% up on the previous year, but around 40% below pre-recession levels.

Chart 1: Residential planning approvals



The approval of social housing projects (schemes consisting of predominately social housing) have been particularly volatile over the last 18 months. The number of units covered by social housing project approvals rose from a low of 6,100 during the second quarter of 2009 to 13,700 during the first three months of last year. However the number of units has subsequently fallen back sharply, reaching a new low of 5,500 during the final quarter of 2010.

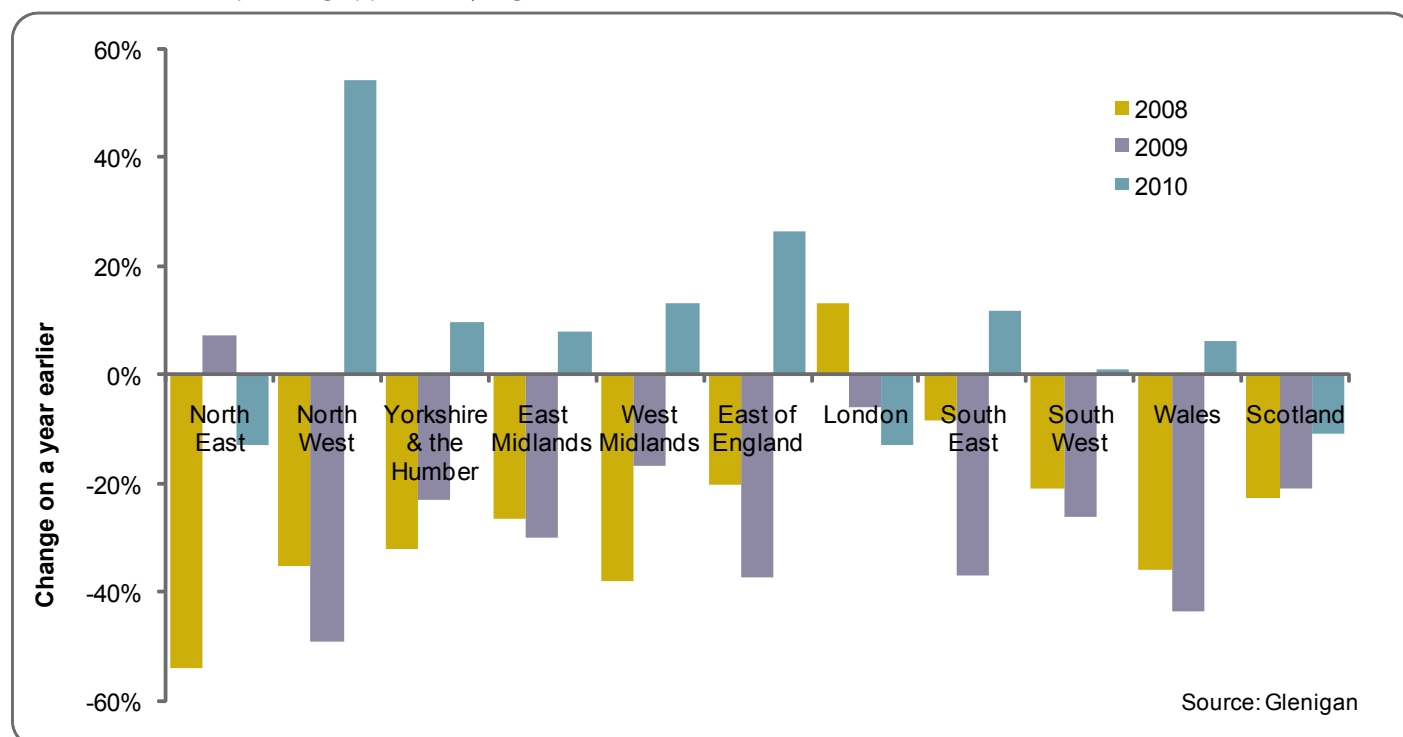
Whilst less volatile, the flow of private housing approvals has followed a similar pattern. The modest recovery in private approvals from a low of 22,100 units during second quarter of 2009 to 37,600 units during the first quarter of last year has been reversed.

1 Projects involving 10 or more residential units

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Private planning approvals have subsequently slipped back to 28,400 during the final three months of 2010.

Chart 2: Residential planning approvals by region (No. of units)



Regionally the overall rise in residential approvals during 2010 was driven by increased approvals in the Midlands and the North of England. Both parts of the country were among those that suffered the steepest decline in planning approvals during 2008 and 2009. The number of residential units securing planning approval during 2010 in the Midlands was 22% up on a year ago and 11% across the North of England. The number of residential approvals also strengthened in Wales. In contrast approvals in Southern England have remained becalmed. Furthermore the flow of approvals slowed across the country during the course of last year, with approvals during the fourth quarter in the Midlands and the North of England down 32% and 13% respectively on a year earlier, while approvals in southern England slipped 3%.

Table 1: Number of residential units approved

	North of England	Midlands	Southern England	All	Wales	Scotland	Great Britain
2006	67,565	36,580	119,549	223,694	9,416	30,514	263,624
2007	65,645	37,613	109,209	212,467	10,765	29,109	252,341
2008	40,892	25,290	102,377	168,559	6,894	22,541	197,994
2009	27,598	19,334	79,078	126,010	3,894	17,800	147,704
2010	33,714	21,389	79,040	134,143	4,134	15,836	154,113
	<i>Change on a year earlier</i>						
2007	-3%	3%	-9%	-5%	14%	-5%	-4%
2008	-38%	-33%	-6%	-21%	-36%	-23%	-22%
2009	-33%	-24%	-23%	-25%	-44%	-21%	-25%
2010	22%	11%	0%	6%	6%	-11%	4%

N.B. Projects involving 10 or more residential units.

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Notes:

This report is based upon an analysis of housing projects being tracked by Glenigan and held on its database of construction projects. The following restrictions and filters apply to the analysis:

1. Projects included are for 10 or more units.
2. Housing schemes are included where the development is primarily identified as being: Apartments/ flats, Bungalows, Houses/ Luxury Housing or Sheltered Housing. Key Worker Accommodation or Sheltered Housing.
3. In addition mixed used developments involving 10 or more residential units are also included in the analysis.
4. Elderly people's homes, Hostels and student accommodation have been excluded from the analysis.
5. Approvals are recorded at the detailed planning stage. Where a project has secured outline planning approval and the detailed consent is being resolved through the approval of reserve matters the date of 'detailed consent' is deemed to be that of the approval of reserve matters. In the case of some projects, the reserve matters are approved piecemeal; in these circumstances the earliest approval date has been used in order to avoid double counting.

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Housing Approvals

The tables provide a regional breakdown of new building planning approvals since 2006

Table 2: Number of housing units securing detailed planning approval by region & country

	North of England			Midlands		Southern England				England	Wales	Scotland	Great Britain
	North East	North West	Yorkshire & the Humber	East Midlands	West Midlands	East of England	London	South East	South West				
Q1 2006	3,087	7,558	7,667	5,287	4,098	4,721	19,926	6,979	3,863	63,186	1,960	7,707	72,853
Q2 2006	3,077	5,836	4,041	4,336	4,720	4,600	7,248	10,771	4,680	49,309	2,664	10,377	62,350
Q3 2006	1,818	8,189	4,622	3,493	4,331	8,709	5,428	5,966	4,723	47,279	3,248	5,480	56,007
Q4 2006	2,207	11,167	8,296	6,401	3,914	5,232	9,753	11,286	5,664	63,920	1,544	6,950	72,414
Q1 2007	2,615	11,034	5,154	4,749	4,758	5,460	7,175	8,914	5,607	55,466	1,353	6,940	63,759
Q2 2007	2,488	7,121	7,328	4,782	4,759	4,457	8,521	6,245	5,653	51,354	2,730	6,690	60,774
Q3 2007	3,722	7,352	3,871	3,975	5,007	4,860	9,960	7,179	5,727	51,653	4,874	6,670	63,197
Q4 2007	3,183	7,150	4,627	4,041	5,542	5,825	10,243	7,150	6,233	53,994	1,808	8,809	64,611
Q1 2008	2,366	10,980	5,975	3,730	3,987	5,217	11,397	7,904	6,888	58,444	2,102	6,256	66,802
Q2 2008	1,315	3,870	3,202	3,238	3,521	4,733	9,271	8,307	4,649	42,106	1,503	8,469	52,078
Q3 2008	963	3,788	1,794	3,100	3,388	3,059	7,826	4,375	3,793	32,086	1,555	3,599	37,240
Q4 2008	875	2,484	3,280	2,816	1,510	3,394	12,110	6,431	3,023	35,923	1,734	4,217	41,874
Q1 2009	1,082	3,136	1,898	1,754	2,293	2,423	9,871	4,263	3,805	30,525	987	3,950	35,462
Q2 2009	1,235	2,626	1,434	2,061	710	2,474	5,248	3,538	2,506	21,832	439	2,891	25,162
Q3 2009	929	2,454	3,900	2,907	1,487	3,000	17,778	4,133	3,555	40,143	1,298	3,182	44,623
Q4 2009	2,678	2,499	3,727	2,291	5,831	2,408	5,247	5,124	3,705	33,510	1,170	7,777	42,457
Q1 2010	2,859	4,851	3,852	2,098	3,548	3,085	12,667	3,483	4,010	40,453	1,069	4,098	45,620
Q2 2010	1,010	3,592	2,911	2,080	3,203	4,268	7,017	5,260	3,409	32,750	1,019	5,360	39,129
Q3 2010	624	3,923	2,325	2,737	2,173	3,141	8,193	4,865	3,572	31,553	771	4,087	36,411
Q4 2010	664	4,168	2,935	2,812	2,738	2,528	5,373	5,466	2,703	29,387	1,275	2,291	32,953

Table 3: Number of housing projects securing detailed planning approval by region & country

	North of England			Midlands		Southern England				England	Wales	Scotland	Great Britain
	North East	North West	Yorkshire & the Humber	East Midlands	West Midlands	East of England	London	South East	South West				
Q1 2006	46	133	149	109	96	117	142	172	126	1,090	53	153	1,296
Q2 2006	46	123	101	77	103	111	116	197	143	1,017	49	130	1,196
Q3 2006	48	134	112	90	93	121	103	138	138	977	46	109	1,132
Q4 2006	46	142	130	108	92	126	125	199	148	1,116	44	125	1,285
Q1 2007	56	116	120	106	89	123	110	201	154	1,075	37	146	1,258
Q2 2007	47	154	111	106	107	102	120	165	141	1,053	57	139	1,249
Q3 2007	52	151	109	82	103	122	113	174	127	1,033	62	155	1,250
Q4 2007	60	136	125	84	103	142	135	182	134	1,101	45	114	1,260
Q1 2008	51	150	138	86	99	118	118	172	165	1,097	48	123	1,268
Q2 2008	37	93	84	67	76	103	103	170	122	855	40	126	1,021
Q3 2008	31	91	49	69	62	74	87	114	120	697	34	88	819
Q4 2008	19	68	74	48	43	68	86	96	74	576	34	94	704
Q1 2009	25	69	51	48	44	64	76	73	100	550	29	79	658
Q2 2009	19	54	37	37	28	58	58	67	69	427	19	67	513
Q3 2009	20	56	60	47	38	78	85	86	94	564	37	67	668
Q4 2009	23	64	56	56	49	60	75	88	104	575	24	95	694
Q1 2010	45	99	77	57	57	69	109	93	101	707	29	88	824
Q2 2010	18	74	54	58	51	79	70	119	82	605	17	82	704
Q3 2010	19	89	68	53	50	67	91	104	81	622	20	71	713
Q4 2010	19	89	64	50	64	64	88	110	71	619	26	65	710

Social Housing Approvals

The tables provide a regional breakdown of new social house building planning approvals since 2006

Table 4: Number of social housing units securing detailed planning approval by region & country

	North of England			Midlands		Southern England				England	Wales	Scotland	Great Britain
	North East	North West	Yorkshire & the Humber	East Midlands	West Midlands	East of England	London	South East	South West				
Q1 2006	110	1,576	313	1,028	258	423	8,970	1,120	358	14,156	342	1,018	15,516
Q2 2006	109	240	155	113	330	595	1,746	1,902	474	5,664	322	1,250	7,236
Q3 2006	400	671	179	144	537	873	1,670	1,085	360	5,919	37	587	6,543
Q4 2006	309	700	1,438	530	780	613	1,986	1,352	356	8,064	282	1,008	9,354
Q1 2007	266	3,253	657	431	335	780	2,035	1,674	576	10,007	207	1,433	11,647
Q2 2007	105	635	461	189	719	481	2,384	374	524	5,872	668	1,169	7,709
Q3 2007	446	599	344	293	210	573	2,145	1,463	744	6,817	146	1,073	8,036
Q4 2007	215	538	649	574	472	790	1,929	868	681	6,716	73	1,787	8,576
Q1 2008	768	520	860	286	555	1,150	3,227	688	969	9,023	156	794	9,973
Q2 2008	264	549	48	68	623	284	1,986	2,434	902	7,158	232	2,966	10,356
Q3 2008	326	316	262	157	371	1,197	2,210	1,386	487	6,712	136	1,105	7,953
Q4 2008	249	530	543	289	395	462	4,236	729	270	7,703	163	1,116	8,982
Q1 2009	292	878	587	716	796	734	3,986	1,913	689	10,591	380	1,704	12,675
Q2 2009	273	236	230	168	62	667	2,340	353	367	4,696	156	1,204	6,056
Q3 2009	241	401	463	430	454	733	5,449	482	731	9,384	194	1,798	11,376
Q4 2009	322	541	414	402	4,244	531	1,557	1,364	911	10,286	320	1,012	11,618
Q1 2010	1,118	820	848	448	567	317	6,046	1,111	793	12,068	258	1,349	13,675
Q2 2010	54	687	306	118	1,148	478	1,757	969	281	5,798	73	892	6,763
Q3 2010	105	507	616	83	740	325	2,491	1,941	401	7,209	177	1,659	9,045
Q4 2010	203	425	159	260	323	359	1,662	1,013	385	4,789	112	554	5,455
	<i>Q4 2010 % Change</i>												
Q3 2010	93.3	-16.2	-74.2	213.3	-56.4	10.5	-33.3	-47.8	-4.0	-33.6	-36.7	-66.6	-39.7
Q4 2009	-37.0	-21.4	-61.6	-35.3	-92.4	-32.4	6.7	-25.7	-57.7	-53.4	-65.0	-45.3	-53.0

About HBF

The Home Builders Federation (HBF) is the representative body of the home building industry in England and Wales. The HBF's 300 member firms account for some 80% of all new homes built in England and Wales in any one year, and include companies of all sizes, ranging from multi-national, household names through regionally based businesses to small local companies.

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