HOME BUILDERS FEDERATION

New Housing Pipeline

Q1 2011 report

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Glenigan Constructing Insight

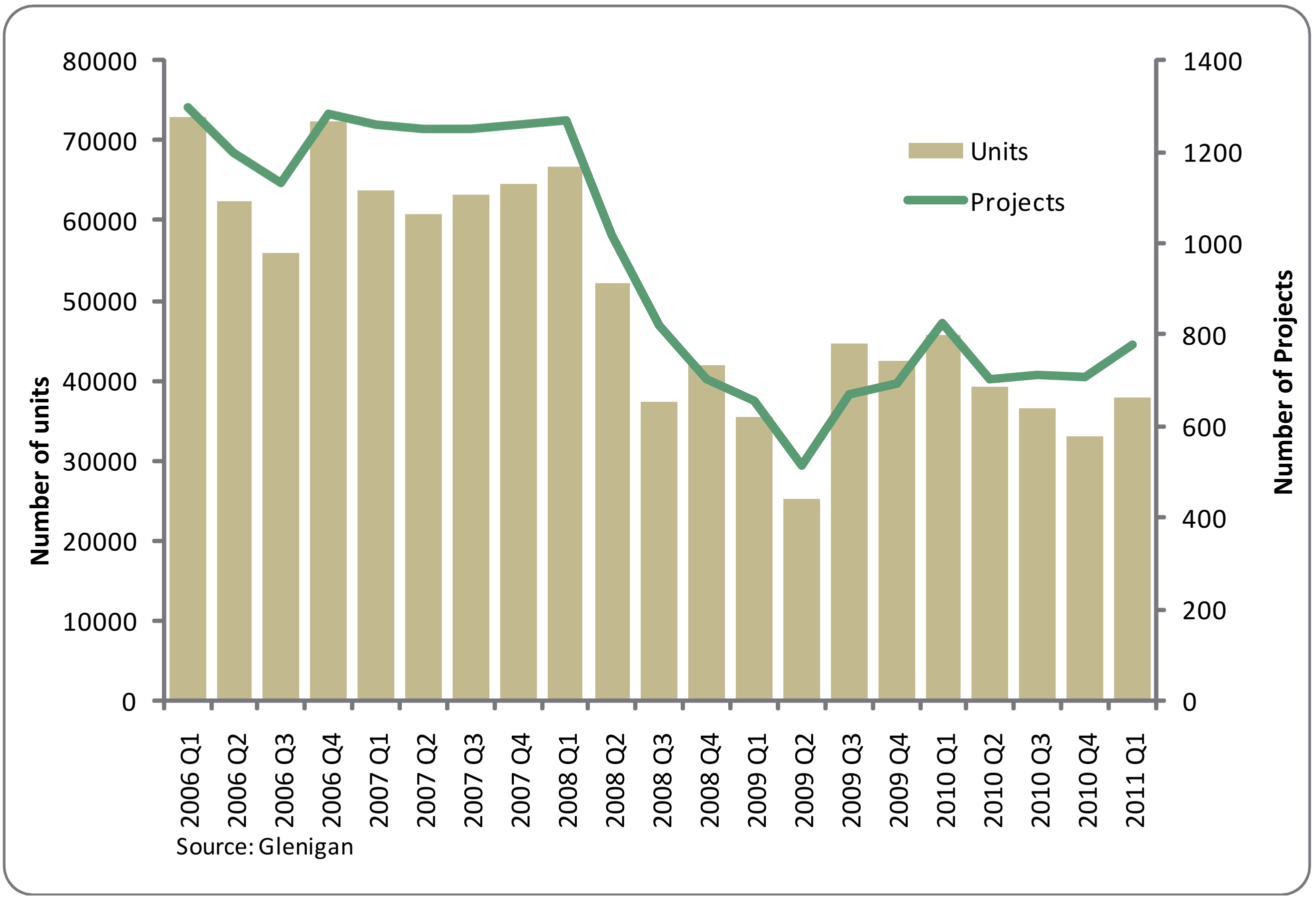
Analysis of market conditions and prospects prepared by Glenigan.

New Housing Pipeline

An improved flow of residential approvals during the first quarter of 2011 arrested the downward drift in planning approvals endured over the course of last year. Nevertheless the number of new homes being approved by local authorities remains down on the first quarter of 2009 and sharply below pre-recessionary levels.

Glenigan recorded the approval of 37,800 residential units[1] during the first quarter of 2011; a 15% increase on the previous three months, but still 17% down 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.

Chart 1: Residential planning approvals (Great Britain)

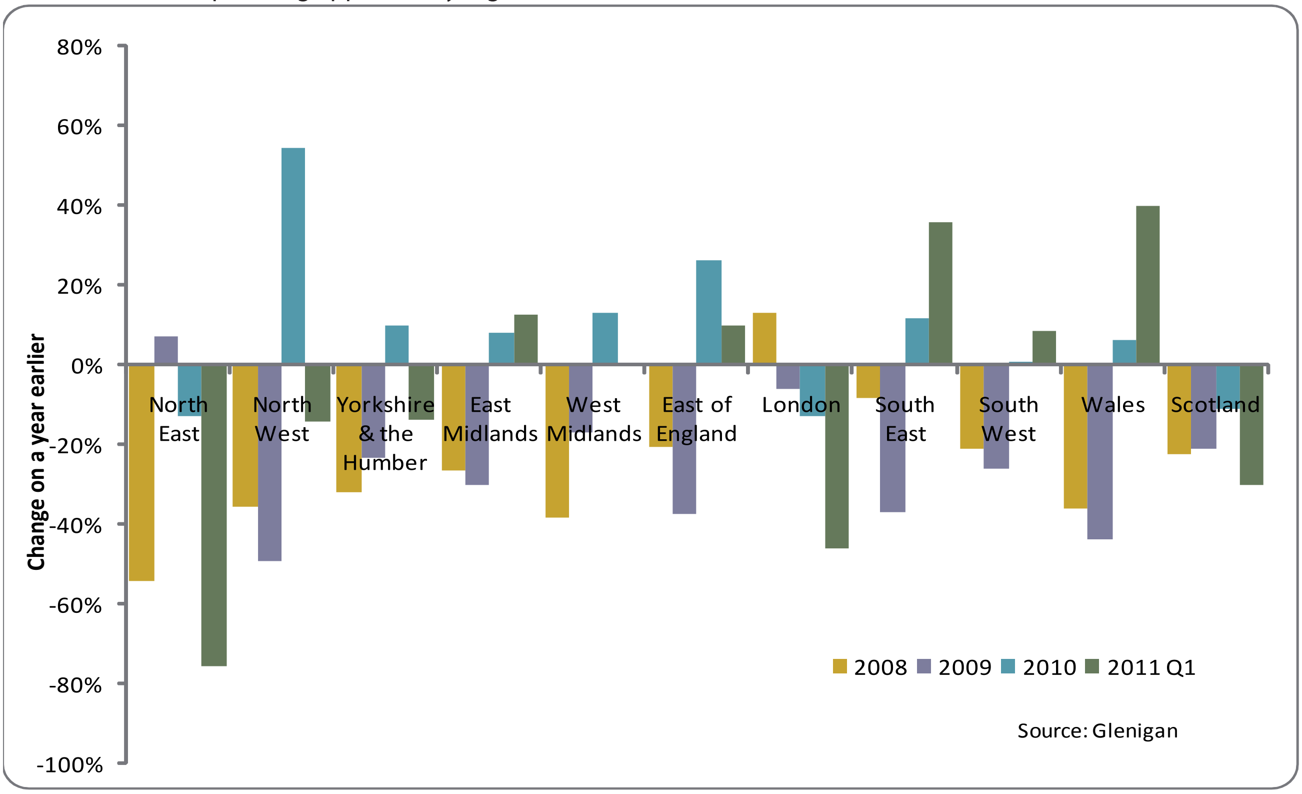


The approval of social housing projects (schemes consisting of predominately social housing) have been particularly volatile over the last two years. The number of units covered by social housing project approvals rose sharply during the run up to the general election from a low of 6,100 during the second quarter of 2009 to 13,700 in the first quarter of 2010. However the level of approvals has subsequently fallen back and whilst approvals during the first quarter of 2011 were 25% up on the previous three months they remained 50% down on a year ago.

A pick-up in the flow of private residential approvals during the first quarter of three months of 2011 has interrupted the downward trend in approvals evident during the previous nine months. Nevertheless, at 29,700 units private residential approvals were still 7% down on a year ago and running far below the average 54,700 units per quarter seen during 2006 and 2007.

1 Projects involving 10 or more residential units

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. Whilst approvals in the Midlands remained firm during the first quarter of 2011, the North of England suffered a renewed weakening in approvals. Approvals in Southern England were also sharply down on a year ago, although the compassion is distorted by the approval a year ago of a major London development.

The number of residential approvals also strengthened in Wales, a rise largely attributable to the Stradey Park development in Llanelli. In contrast approvals in Scotland remain moribund, being 30% down on a year ago.

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
2011 Q1	8,183	5,929	19,338	33,450	1,494	2,871	37,815
	Change on a year earlier						
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%
2011 Q1	-29%	5%	-17%	-17%	40%	-30%	-17%

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

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.

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							
	North East	North West	Yorkshire & the Humber	East Midlands	West Midlands	East of England	London	South East	South West	England	Wales	Scotland	Great Britain
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**
Q1 2011	696	4,168	3,319	2,364	3,565	3,393	6,860	4,733	4,352	33,450	1,494	2,871	**37,815**

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

	North of England			Midlands		Southern England							
	North East	North West	Yorkshire & the Humber	East Midlands	West Midlands	East of England	London	South East	South West	England	Wales	Scotland	Great Britain
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**
Q1 2011	20	92	84	54	57	82	98	104	89	680	26	72	**778**

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.

Contact us
Home Builders Federation Ltd
1st Floor Byron House
7-9 St James's Street
London SW1A 1EE
Tel: 020 7960 1620
Fax: 020 7960 1601
Email: info@hbf.co.uk
Website: www.hbf.co.uk

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Website: www.glenigan.com
Tel: 01202 432121
Email: info@glenigan.emap.com

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