HOME BUILDERS FEDERATION

New Housing Pipeline

Q2 2012 report

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Glenigan
Constructing Insight

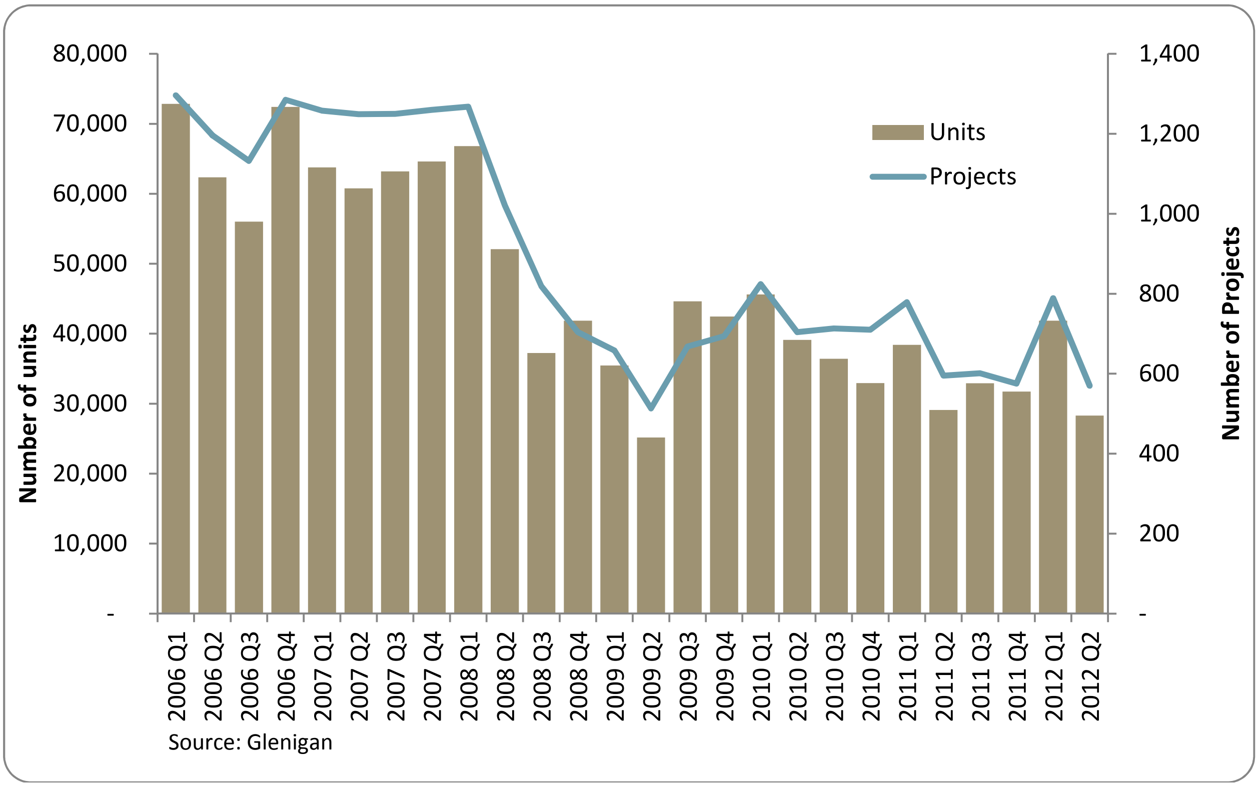
Analysis of market conditions and prospects prepared by Glenigan.

New Housing Pipeline

The flow of residential planning approvals slowed during the second quarter of 2012, after a positive start to the year. The drop in permissions was primarily driven by a renewed weakening in private sector project approvals. However, the decline in private sector approvals follows a strong first quarter performance; as a result the number of private residential units approved during the first six months of 2012 was still 5% up on a year ago. Social housing approvals remain weak as housing association scale back their development programmes.

Glenigan recorded the approval of 28,300 residential units[1] during the second quarter of this year; a 3% decline against the same period of 2011 and 32% drop the on a strong performance during the first three months of 2012. Overall the number of units approved during the first half of 2012 was 4% up on a year ago, although this remains significantly below the quarterly average of 64,500 during 2006 and 2007.

Chart 1: Residential planning approvals (Great Britain)

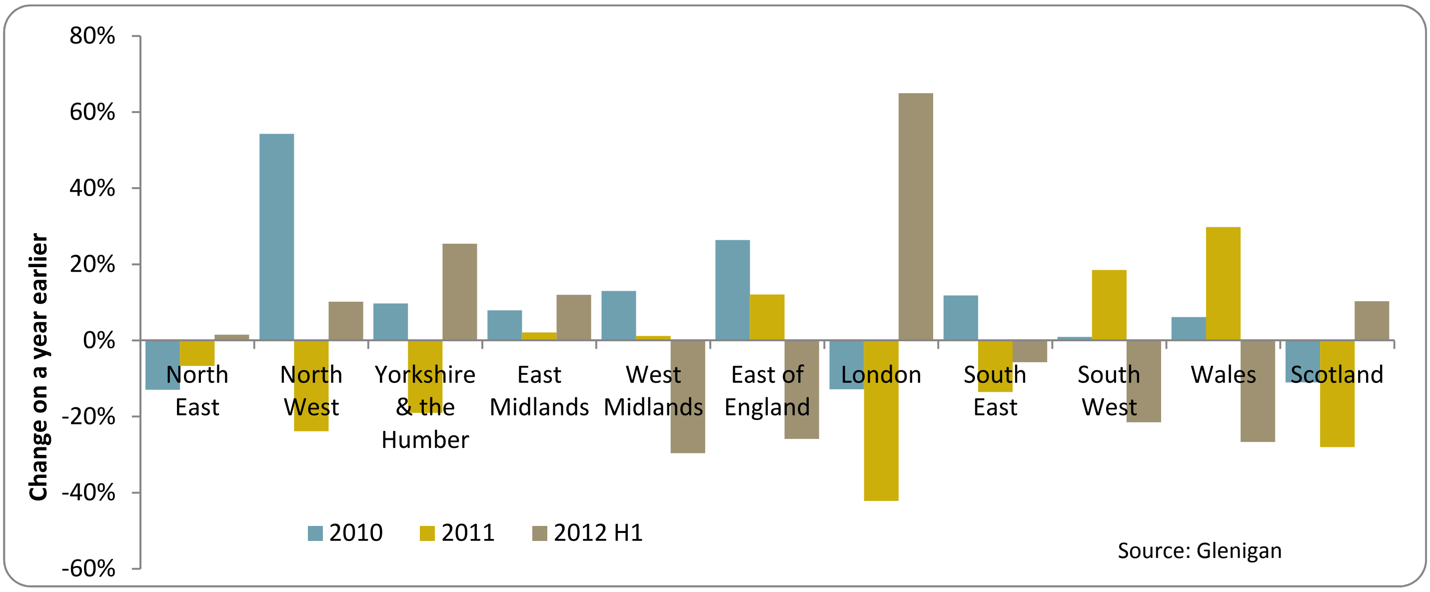


A renewed weakening in private residential approvals was the main cause of the decline during the second quarter. At 23,300 units, private residential approvals during the quarter were down by a third on the strong first quarter performance and were 9% lower than a year ago. During the first quarter the number of private units approved was 34% up on the preceding three months and 18% higher than a year ago.

[1] **Projects involving 10 or more residential units**

The level of social housing approvals remains at a low ebb. At 3,200 the number of social housing units approved during the second quarter was unchanged on a year ago and 41% down on the first quarter of 2012

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



Regionally the flow of approvals has not been evenly distributed during the first half of 2012. The north of England, southern England and Scotland recorded a rise in approvals against the first six months of this year. However the rise in southern England has been driven by a sharp jump in private residential approvals in London; the number of approvals declined outside of the capital. Approvals in the Midlands strengthened during the second quarter, but this has been insufficient to offset the impact of a weak start to the year.

Table 1: Number of residential units approved

	England				Wales	Scotland	Great Britain
	North of England	Midlands	Southern England	All			
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	27,137	21,730	66,545	115,412	5,366	11,400	132,178
2012 H1	16,680	8,866	36,087	61,633	2,507	6,044	70,184
	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	-20%	2%	-16%	-14%	30%	-28%	-14%
2012 H1	14%	-10%	6%	5%	-27%	10%	4%

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.

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 2007

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

	North of England			Midlands		Southern England							
	North East	North West	Yorkshire & Humber	East Midlands	West Midlands	East of England	London	South East	South West	England	Wales	Scotland	Great Britain
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	2,099	2,871	**38,420**
Q2 2011	2,032	2,157	2,215	2,249	1,692	3,530	2,692	3,576	5,028	25,171	1,320	2,607	**29,098**
Q3 2011	611	3,640	2,240	1,877	2,073	5,310	5,177	3,908	4,223	29,059	963	2,906	**32,928**
Q4 2011	1,473	2,624	1,962	3,441	4,469	2,363	4,498	4,275	2,627	27,732	984	3,016	**31,732**
Q1 2012	1,327	3,335	4,330	2,671	1,769	2,756	12,923	3,968	3,682	36,761	1,376	3,737	**41,874**
Q2 2012	1,442	3,635	2,611	2,496	1,930	2,376	2,836	3,864	3,682	24,872	1,131	2,307	**28,310**

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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 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	27	72	**779**
Q2 2011	19	59	50	42	45	72	67	84	79	517	26	52	**595**
Q3 2011	12	60	46	42	52	70	73	88	65	508	26	67	**601**
Q4 2011	19	69	35	47	62	54	59	97	70	512	24	39	**575**
Q1 2012	22	77	69	47	45	64	172	96	84	676	29	84	**789**
Q2 2012	30	77	53	45	35	62	30	86	71	489	17	64	**570**

Social Housing Approvals

This table provides a regional breakdown of new social house building planning approvals since 2007

Table 4: Number of social 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 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**
Q1 2011	168	653	705	231	285	610	1,857	948	526	5,983	144	718	**6,845**
Q2 2011	786	37	184	156	159	308	517	298	190	2,635	84	517	**3,236**
Q3 2011	53	174	38	42	303	1,322	368	363	586	3,249	64	460	**3,773**
Q4 2011	633	481	174	624	535	430	1,148	324	118	4,467	76	579	**5,122**
Q1 2012	33	658	448	123	140	296	1,717	344	554	4,313	386	767	**5,466**
Q2 2012	30	365	286	177	206	582	702	301	69	2,718	107	421	**3,246**
	Q2 2012 % Change												
Q1 2012	**-9%**	**-45%**	**-36%**	**44%**	**47%**	**97%**	**-59%**	**-13%**	**-88%**	**-37%**	**-72%**	**-45%**	**-41%**
Q2 2011	**-96%**	**886%**	**55%**	**13%**	**30%**	**89%**	**36%**	**1%**	**-64%**	**3%**	**27%**	**-19%**	**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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About Glenigan

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