



New Housing Pipeline

Q2 2014 report

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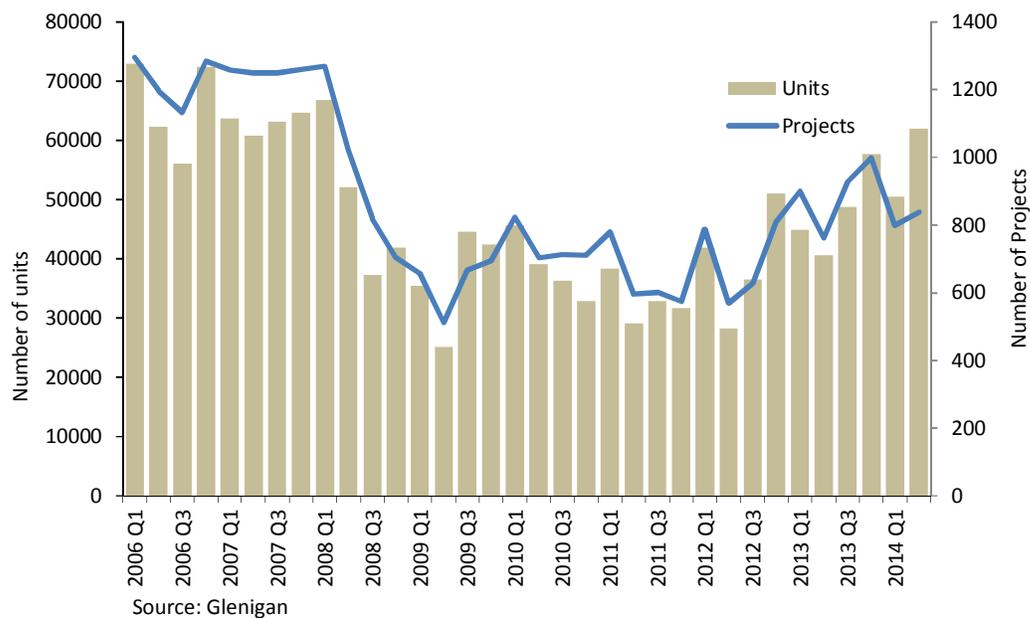
Analysis of market conditions and prospects
prepared by Glenigan.

New Housing Pipeline

The upward trend in residential planning approvals was reasserted during the second quarter of 2014 after the dip in approvals seen during the first three months of this year. A sharp increase in private housing approvals has underpinned the rise. In contrast social housing approvals were sharply lower during the quarter, extending the declines during the first quarter of the year in both the granted and the number of permissions units approved.

Overall Glenigan recorded the approval of almost 62,000 residential units¹ during the second quarter of this year, a 23% hike on the previous quarter. The rebound re-established the strengthening in overall approvals seen during the final six months of 2013, leaving the number of units approved during quarter 53% up on the second quarter of 2013.

Chart 1: Residential planning approvals (Great Britain)



At 666, the number of private sector housing projects securing approval during the second quarter was 15% up on both the preceding quarter and the second quarter of 2013. The rise in approvals offset the earlier dip in first quarter approvals, with the number of projects approved during the first six months of 2014 1% up on a year earlier.

The number of units granted planning permission on private sector projects has risen more strongly. Some 54,600 units were granted permission during the quarter. This is a 28% rise on the first three months and was 71% up on a year ago. The more rapid growth in the number of units approved in part reflects the approval of several major long term developments each involving 1,000 or more units since the start of the year. In particular, permission was granted during the second quarter for over 6,700 new homes as part of the redevelopment of Earls Court in west London.

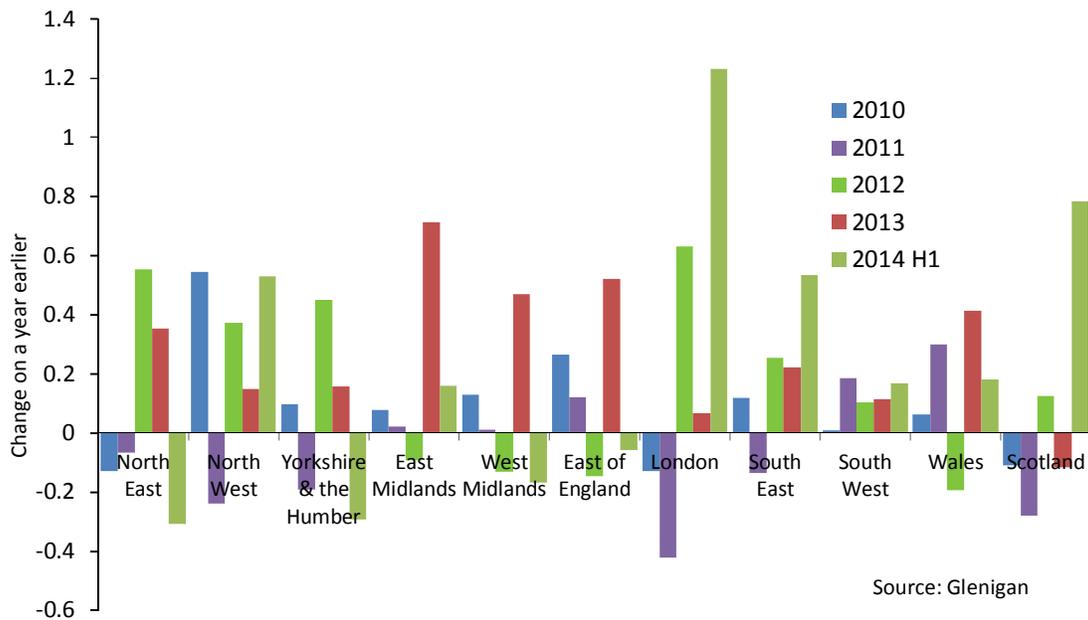


Chart 2: Residential planning approvals by region (No. of units)

In contrast the decline in social housing approvals seen during the first three months of 2014 has gathered momentum, reversing last year's strong rise in approvals. The number of projects approved during the second quarter was 34% down on the preceding three months and 20% lower than a year ago. Combined with the subdued start to 2014, the number of social housing projects approved during the first half of the year was 17% down on a year ago. The number of residential units approved on social housing projects has declined more sharply, dropping by 46% during the second quarter to stand 44% down on a year earlier.

Table 1: Number of residential units approved

	North of England	Midlands	Southern England	England - All	Wales	Scotland	Great Britain
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	38,872	19,282	82,401	140,555	4,330	12,828	157,713
2013	46,304	30,529	97,605	174,438	6,127	11,342	191,907
2014 H1	22,837	14,221	63,515	100,573	4,035	7,903	112,511
<i>Change on a year earlier</i>							
2010	22%	11%	0%	6%	6%	-11%	4%
2011	-20%	2%	-16%	-14%	30%	-28%	-14%
2012	43%	-11%	24%	22%	-19%	13%	19%
2013	19%	58%	18%	24%	42%	-12%	22%
2014 H1	0%	-1%	57%	29%	18%	78%	32%

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

Regionally the pattern of unit approvals has been mixed. The number of unit approvals in the north of England dipped during the second quarter; leaving approvals for the first half unchanged on a year ago. Conversely approvals in the Midlands rebounded during the second quarter after a weak start to the year, leaving approvals during the first half just 1% down on a year ago.

However unit approvals in southern England were up sharply during the second quarter, rising by 52% to stand 37% up on a year ago. Whilst unit approvals in the south east and south west rose by 38% and 36% respectively, the strongest rise was in London with 19,300 units approved, a 264% rise on a year ago, thanks to the approval of several large schemes including the Earls Court redevelopment.

Welsh unit approvals fell back during the second quarter after a strong start to the year, but starts during the first half of 2014 remained ahead of last year. Similarly unit approvals in Scotland also slipped back on the preceding quarter, but were up sharply against a weak performance a year ago.

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 2007

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				
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
Q3 2012	2,899	3,938	3,003	1,453	2,338	2,536	5,838	6,235	5,641	33,881	586	2,058	36,525
Q4 2012	1,807	6,356	4,189	2,412	4,213	4,796	9,762	6,607	4,899	45,041	1,237	4,726	51,004
Q1 2013	2,822	4,042	5,541	3,835	3,767	4,432	8,279	3,510	4,405	40,633	1,828	2,463	44,924
Q2 2013	1,642	4,159	4,645	3,103	3,663	3,607	5,300	6,415	4,519	37,053	1,589	1,968	40,610
Q3 2013	2,882	6,589	3,052	3,654	3,938	5,544	7,095	6,861	4,636	44,251	1,054	3,423	48,728
Q4 2013	2,775	5,042	3,113	4,880	3,689	5,380	12,737	8,478	6,407	52,501	1,656	3,488	57,645
Q1 2014	2,112	6,313	3,342	4,519	2,444	3,556	10,982	6,389	4,269	43,926	2,482	4,117	50,525
Q2 2014	982	6,224	3,864	3,527	3,731	4,021	19,314	8,838	6,146	56,647	1,553	3,786	61,986

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				
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
Q3 2012	38	74	60	46	46	49	53	104	86	556	22	49	627
Q4 2012	27	101	57	38	79	75	98	132	114	721	26	65	812
Q1 2013	50	100	98	75	93	81	111	99	100	807	39	54	900
Q2 2013	29	93	60	56	79	82	82	107	90	678	24	59	761
Q3 2013	43	120	62	62	91	99	96	155	98	826	32	69	927
Q4 2013	38	109	80	74	86	101	125	161	111	885	43	71	999
Q1 2014	42	94	57	76	58	66	93	107	86	679	40	79	798
Q2 2014	24	93	72	65	60	72	108	115	106	715	36	86	837

Social Housing Approvals

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

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				
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
Q3 2012	166	515	480	147	612	33	1,093	1,114	1,453	5,613	36	522	6,171
Q4 2012	232	449	418	109	734	599	2,672	705	319	6,237	134	744	7,115
Q1 2013	246	837	940	254	795	355	2,576	665	648	7,316	214	422	7,952
Q2 2013	486	465	377	376	507	608	2,399	935	321	6,474	80	319	6,873
Q3 2013	437	603	442	146	1,166	683	1,413	1,189	340	6,419	153	537	7,109
Q4 2013	411	534	443	470	355	618	2,373	1,097	1,148	7,449	368	701	8,518
Q1 2014	564	1,320	570	369	217	440	954	724	287	5,445	437	1,247	7,129
Q2 2014	77	158	174	278	65	123	1,120	548	349	2,892	275	657	3,824
Q2 2014 % change on:													
Q1 2014	-86%	-88%	-69%	-25%	-70%	-72%	17%	-24%	22%	-47%	-37%	-47%	-46%
Q2 2013	-84%	-66%	-54%	-26%	-87%	-80%	-53%	-41%	9%	-55%	244%	106%	-44%

About HBF

The Home Builders Federation (HBF) is the representative body of the home building industry in England and Wales. HBF's membership accounts for 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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