HOME BUILDERS FEDERATION

New Housing Pipeline

Q3 2014 report

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Glenigan
Constructing Insight

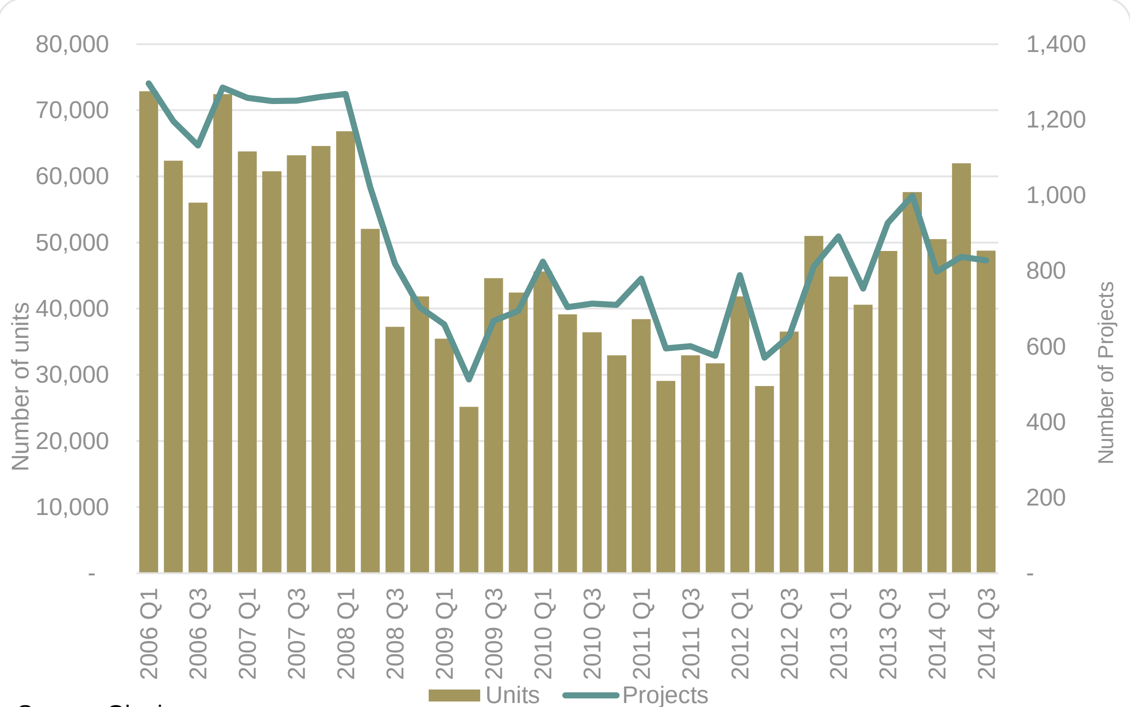
Analysis of market conditions and prospects prepared by Glenigan.

New Housing Pipeline

Residential planning approvals fell back during the third quarter of 2014 from the high point seen during the preceding three months, but remained ahead of the level seen a year ago. Private housing approvals slipped back, with fewer large scale (500 plus unit) developments securing approval during the quarter accounting for much of the drop in private sector approvals. In contrast social housing approvals strengthened after an exceptionally weak second quarter performance, but failed to match last year's level.

Overall Glenigan recorded the approval of over 48,700 residential units[1] during the third quarter of this year; a 21% drop on the previous quarter but unchanged on a year ago. Despite the third quarter weakening, the number of units approved during the first nine months of this year totalled over 161,200; a 20% increase on the same period of 2013.

Chart 1: Residential planning approvals (Great Britain)



Source: Glenigan

At 673, the number of private sector housing projects securing approval during the third quarter was 1% up on the preceding quarter, but 5% down on the second quarter of 2013. Overall the number of sites securing approval during the first nine months of 2014 was 1% down on a year ago.

In contrast the number of units granted planning permission on private sector projects during the third quarter fell back 22% against three preceding three months, but remained 6% up on a year ago. Some 42,800 units were granted permission during the quarter. The third quarter dip in unit approvals largely reflects fewer large scale schemes involving 500 or more units

[1] Projects involving 10 or more residential units

securing approval than during the first half of 2014, although the prevalence of such schemes is still greater than a year ago. Overall the number of number of units granted permission on private sector projects during the first nine months of 2014 is 30% up on the same period last year.

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

In contrast social housing approvals remain on a downward trend. The number of projects approved during the third quarter was 4% down on the second quarter and 39% lower than a year ago. However, the number of units securing approval improved on the especially weak performance seen during the preceding three months, although unit numbers were still 34% down on a year ago. Combined with the poor first half performance, the number of social housing projects approved during the first nine months of 2014 was 24% down on a year ago, while the number of residential units approved was 29% lower over the same period.

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 Q1-3	34,360	22,813	85,146	142,319	7,748	11,216	161,283
Change on a year earlier							
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 Q1-3	-3%	4%	34%	18%	73%	43%	21%

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

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Regionally the pattern of unit approvals has been mixed. The flow of planning approvals in the North of England has plateaued after the rapid growth seen during 2012 and 2013. The number of unit approvals in the north of England during the third quarter was 8% down on a year earlier, leaving approvals for the first nine months of the year 3% lower. Conversely approvals in the Midlands continued to strengthen during the third quarter, leaving the number of units approved during the first nine months 4% up on a year ago.

Unit approvals in southern England during the third quarter were 10% lower than a year ago. However the decline follows a strong performance second quarter, when unit approvals were boosted by several large schemes. This earlier strength is reflected in the total number of units approved during the first nine months of the year which were 32% higher than a year ago, despite a 7% decline in the number of projects involved.

Welsh unit approvals rebounded sharply during the third quarter, lifting the number of units approved during the first nine months to stand 73% up on a year ago. Similarly unit approvals in Scotland also strengthened after a subdued second quarter, with unit approvals 43% higher during the first nine months of the year.

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								
	North East	**North West**	**Yorkshire & Humber**	**East Midlands**	**West Midlands**	**East of England**	**London**	**South East**	**South West**	**England**	**Wales**	**Scotland**	**Great Britain**	***MAT England**
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	**140,640**
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	**120,366**
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	**128,423**
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	**126,010**
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	**135,938**
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	**146,856**
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	**138,266**
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	**134,143**
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	**127,140**
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	**119,561**
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	**117,067**
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	**115,412**
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	**118,723**
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	**118,424**
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	**123,246**
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	**140,555**
Q1 2013	2,806	4,042	5,540	3,827	3,758	4,427	8,277	3,510	4,398	40,585	1,828	2,463	44,876	**144,379**
Q2 2013	1,639	4,156	4,645	3,103	3,656	3,596	5,300	6,405	4,516	37,016	1,589	1,968	40,573	**156,523**
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	**166,893**
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	**174,353**
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	**177,694**
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	**197,325**
Q3 2014	2,029	5,697	3,797	4,287	4,305	4,203	7,024	6,474	3,930	41,746	3,713	3,313	48,772	**194,820**

***Moving Annual Total**

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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 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**
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**
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**
Q3 2014	32	104	67	75	84	75	82	117	82	718	38	72	**828**

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 North East	North West	Yorkshire & the Humber	Midlands East Midlands	West Midlands	East of England	Southern England London	South East	South West	England	Wales	Scotland	Great Britain
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**
Q3 2014	180	310	239	102	290	262	1,538	465	522	3,908	176	637	**4,721**
							Q3 2014 % change on:						
Q2 2014	**134%**	**96%**	**37%**	**-63%**	**346%**	**113%**	**37%**	**-15%**	**50%**	**35%**	**-36%**	**-3%**	**23%**
Q3 2013	**-59%**	**-49%**	**-46%**	**-30%**	**-75%**	**-62%**	**9%**	**-61%**	**54%**	**-39%**	**15%**	**19%**	**-34%**

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About HBF

The Home Builders Federation (HBF) is the representative body of the home building industry in England and Wales. HBF's members' 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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About Glenigan

Glenigan provide the most up-to-date and detailed UK construction contract sales leads and analysis to help companies win more contracts.

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Glenigan provides you with a constant supply of leads so you can quickly find the right projects to target.
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