HOME BUILDERS FEDERATION

# New Housing Pipeline

## Q3 2014 report

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Glenigan
Constructing Insight

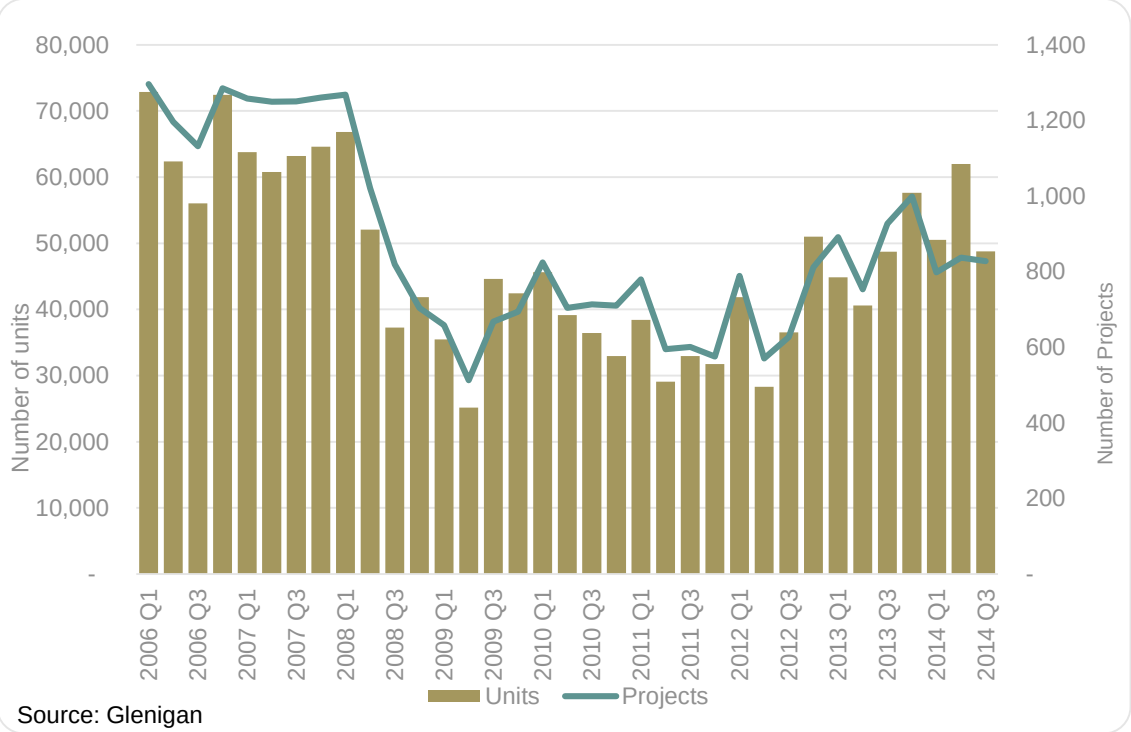
Analysis of market conditions and prospects prepared by Glenigan.

# 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.***

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**

**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%** |

## 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

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