New Housing Pipeline

Q4 2014 report

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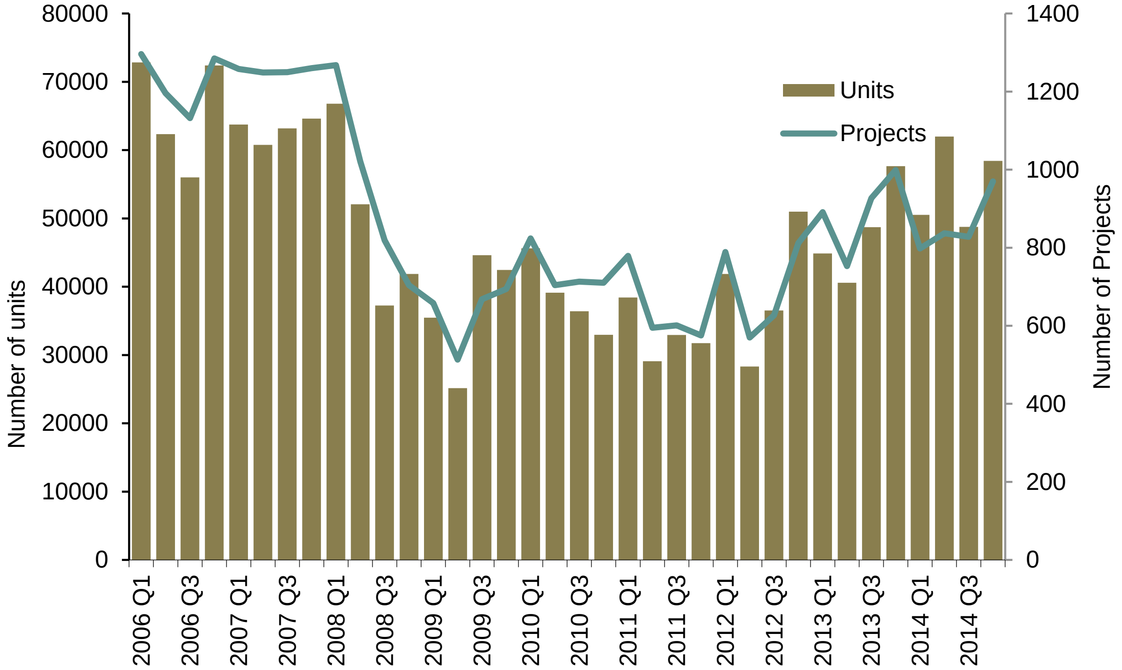
Analysis of market conditions and prospects prepared by Glenigan.

New Housing Pipeline

Residential planning approvals strengthened during the final quarter of 2014. The rise was largely driven by an increase in private housing unit approvals. Whilst social housing unit approvals were also up on the particularly weak levels seen in the second and third quarters of 2014, they remain well down on a year ago.

Overall Glenigan recorded the approval of over 58,400 residential units[1] during the fourth quarter of this year; a 20% rise on a subdued third quarter and 1% up on a year earlier. The number of units approved during 2014 totalled over 219,700; a 15% increase on 2013.

Chart 1: Residential planning approvals (Great Britain)



Source: Glenigan

At 799, the number of private sector housing projects securing approval during the fourth quarter was 19% up on the preceding quarter, and 6% up on the final quarter of 2013. However the rise in the number of sites securing approval during 2014 overall was weaker, at 1% on up the previous year.

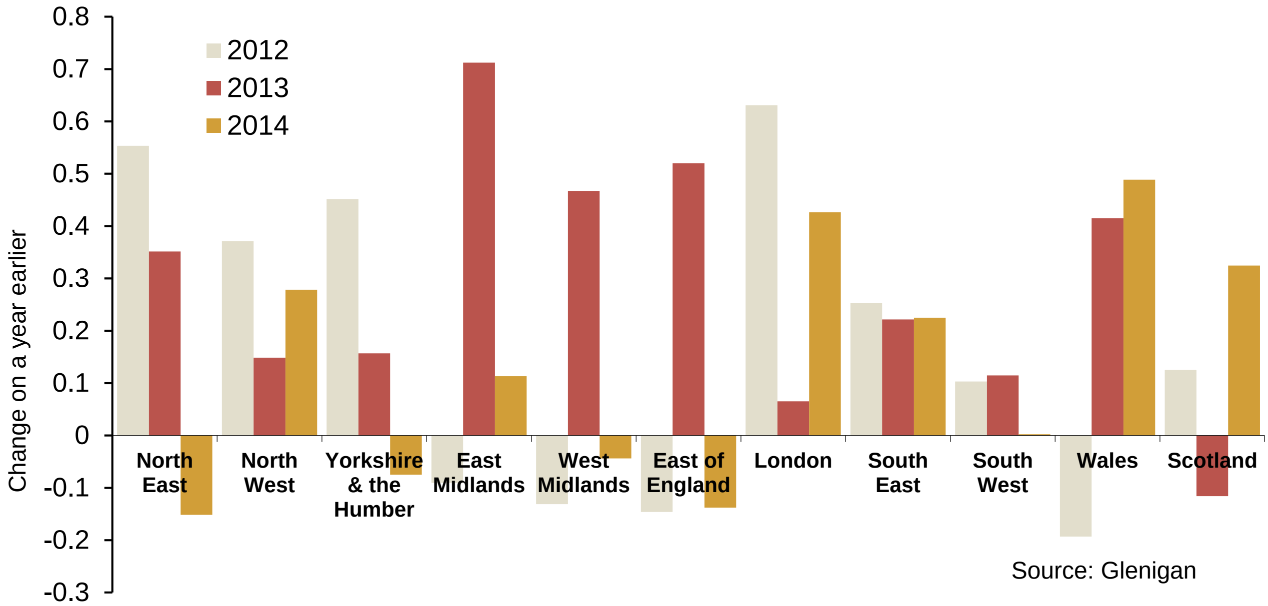
The number of units granted planning permission on private sector projects rose more markedly during the fourth quarter, up 19% against the preceding three months, and by 10% on a year earlier. Some 51,000 units were granted permission during the quarter. Overall 191,000 units were granted permission on private sector projects during 2014, a 24% increase on 2013.

The contrasting rises, of 1% in terms of the number of private sector projects and 24% in number of units is partially the result of several large scale schemes achieving approval during the year: 33,500 units were approved in 2014 on private schemes of more than 500

[1] Projects involving 10 or more residential units

units, making up 17% of all units approved. This compares to just 8% in 2013. However, the number of units approved on smaller schemes has also continued to rise, with the number of units approved on schemes of less than 500 units up 11% during 2014 as a whole.

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



The number of social housing projects approved during the fourth quarter was 5% up on the third quarter, but was 41% lower than a year ago. The number of units securing approval similarly improved on the weak performance seen during the preceding three months, with a rise of 15%, although unit numbers were still 36% down on a year ago. During 2014 overall the number of projects securing approval fell by 29%, and the number of units dropped by 31%.

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	46,281	30,505	97,567	174,353	6,127	11,342	191,822
2014	49,044	31,598	114,927	195,569	9,121	15,025	219,715
			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	6%	4%	18%	12%	49%	32%	15%

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

Regionally, during the fourth quarter the North of England saw the strongest expansion in unit approvals against a year earlier. Whilst a strengthening in unit approvals in the capital supported a 38% rise in across southern England on the previous quarter, unit approvals were still 10% down on the same period a year earlier.

Taking the year as a whole there was a general strengthening in approvals across Great Britain during 2014, with the strongest growth seen in Wales and Scotland with increases of 49% and 32% respectively. Southern England also saw double digit growth in approvals, rising 18% to 115,000 units. The Midlands and the North of England saw more modest growth rates, although this follows strong rises during 2013.

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**
Q4 2014	3,447	7,116	4,121	4,884	3,901	4,554	10,332	9,235	5,660	53,250	1,373	3,809	58,432	**195,569**

***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**
Q4 2014	42	101	79	84	92	105	109	135	91	838	36	96	**970**

Social Housing Approvals

This table provides a regional breakdown of new social house building planning approvals since 2009

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**
Q4 2014	646	415	165	184	177	150	1,416	1,243	225	4,621	454	360	**5,435**
							Q3 2014 % change on:						
Q3 2014	**259%**	**34%**	**-31%**	**80%**	**-39%**	**-43%**	**-8%**	**167%**	**-57%**	**18%**	**158%**	**-43%**	**15%**
Q4 2013	**57%**	**-22%**	**-63%**	**-61%**	**-50%**	**-76%**	**-40%**	**13%**	**-80%**	**-38%**	**23%**	**-49%**	**-36%**

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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 is the trusted provider of project information, analysis and sales leads for the construction industry. Its comprehensive company intelligence has been helping contractors, sub-contractors and suppliers build new working relationships for more than 40 years.

With exclusive content from leading industry bodies including The Builders' Conference, Glenigan offers the widest coverage of UK tenders and construction contracts. These construction project leads are unique to Glenigan and unavailable anywhere else.

The housing approvals data analysed in this report is drawn from Glenigan's extensive database of current and planned construction projects. Glenigan's detailed coverage of planned housing projects across the UK offers valuable strategic and tactical insights into developers' active sights and pipeline, with sites tracked through to completion.

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