New Housing Pipeline

Q3 2015 report

Published March 2016

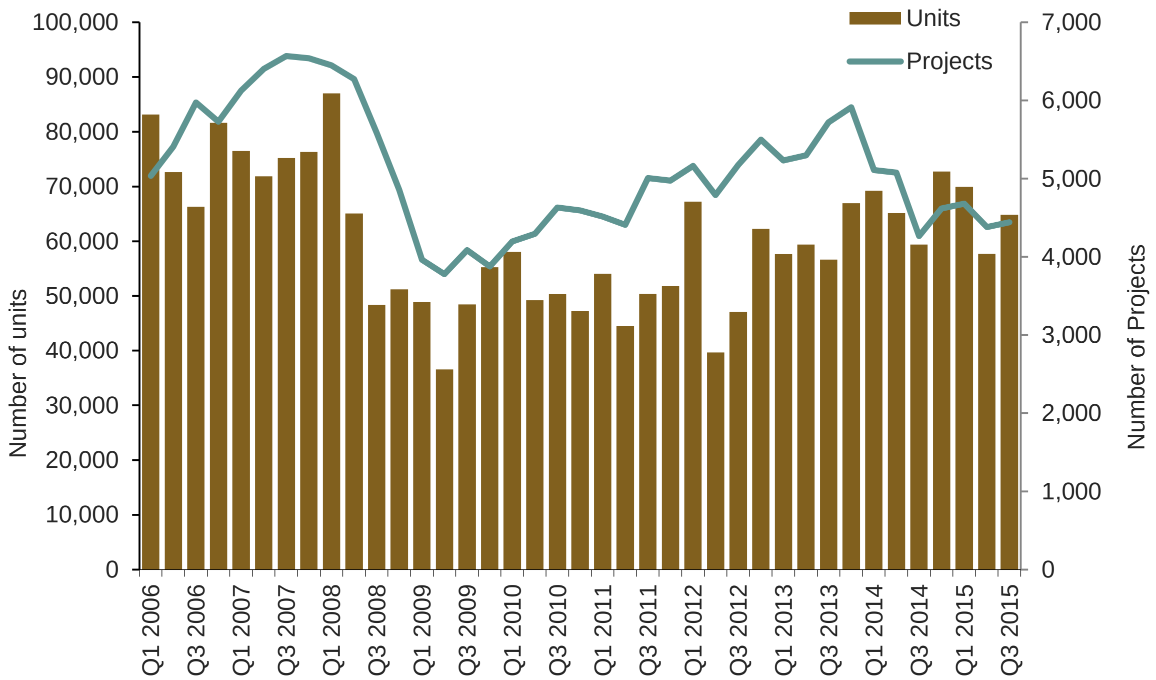
Analysis of market conditions and prospects prepared by Glenigan.

New Housing Pipeline

Residential planning approvals recovered during the third quarter of 2015 after the sharp drop seen during the preceding three months. The number of units approved during the quarter was 12% up on the second quarter and 9% higher than a year ago. The rise was supported by increases in the number of both private and social housing units approved and was aided by an increase in the average size of approved projects.

Overall Glenigan recorded the approval of around 64,900 residential units[1] during the third quarter of this year. Housing schemes of ten or more units accounted for 54,800 or 85% of approved units; the remainder being on smaller new build projects including self-build schemes, homes being included within non-residential projects and the conversion of non-residential properties.

Chart 1: Residential planning approvals (Great Britain)



N.B. Includes residential projects of all sizes, residential units on non-residential schemes and conversions. Source: Glenigan

At 2,499, the number of private sector housing projects (schemes of 3 or more units) securing approval during the third quarter was unchanged on the preceding quarter, but 9% higher than during the third quarter of 2014.

However the number of units granted planning permission on private sector projects was 11% up on the preceding quarter and 8% higher than a year earlier. Around 55,000 private units were granted permission during the quarter.

The quarter saw a recovery in the number of larger private sector projects of 500 or more units securing approval, which helped to drive the rise in unit numbers.

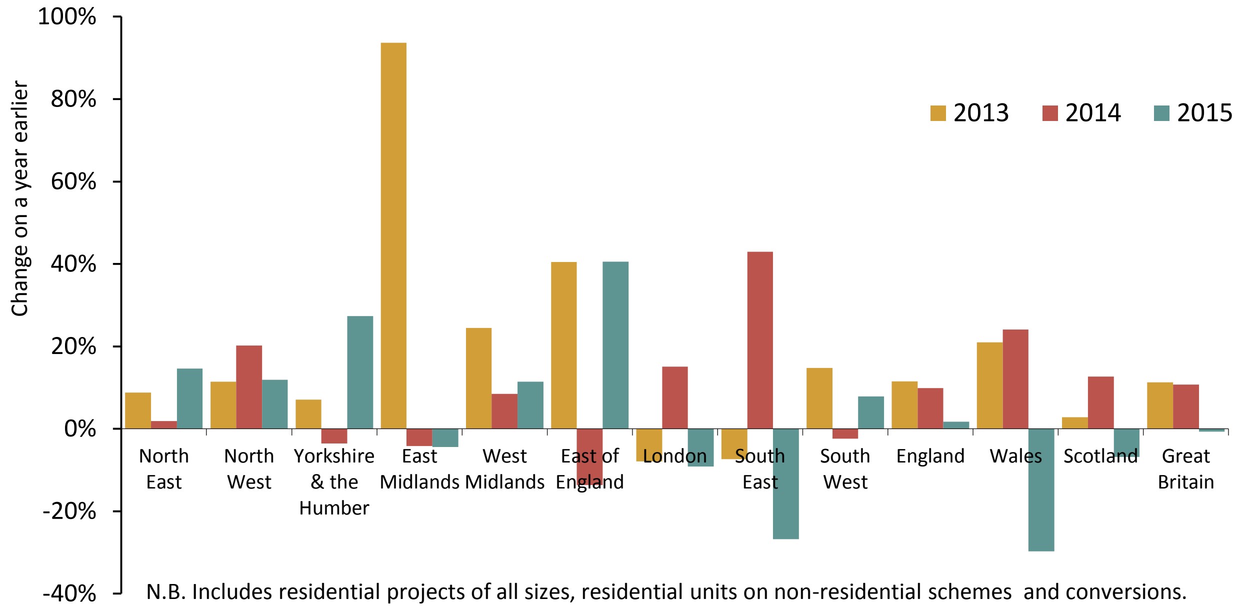


Chart 2: Residential planning approvals by region (No. of units)

The number of social housing projects (of three or more units) continued to weaken in the third quarter, falling by 25% on the previous quarter and little changed on the weak performance seen in the third quarter of 2014 In contrast the number of social housing units approved recovered during 2015 Q3 rising by 22% against the previous quarter to stand 19% up on a year earlier. The strength of unit approvals was driven by several larger projects which lifted the average number of units per project to 43 against 27 units during the preceding quarter.

Table 1: Number of residential units approved

	North of England	Midlands	Southern England	England - All	Wales	Scotland	Great Britain
2010	42,726	31,502	105,189	179,417	6,747	20,921	204,697
2011	40,151	30,841	107,238	178,230	8,517	16,641	200,667
2012	48,881	27,347	119,399	195,627	6,454	15,392	216,221
2013	53,508	41,840	122,853	218,201	7,809	15,821	240,620
2014	58,259	42,617	138,893	239,769	9,692	17,823	266,492
2015 Q1-3	47,334	32,051	97,009	176,394	5,323	12,477	192,407
Change on a year earlier							
2010	23%	23%	3%	10%	8%	-2%	8%
2011	-6%	-2%	2%	-1%	26%	-20%	-2%
2012	22%	-11%	11%	10%	-24%	-8%	8%
2013	9%	53%	3%	12%	21%	3%	11%
2014	9%	2%	13%	10%	24%	13%	11%
2015 Q1-3	17%	4%	-5%	2%	-30%	-7%	-1%

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

The North West, South West and East of England all saw a sharp increase in the number of units approved compared to a year earlier. In contrast, there was a renewed weakening in Welsh unit approvals, which were 55% down on both the preceding quarter and the corresponding period of 2014.

Overall unit approvals in Great Britain during the first nine months were 1% down on a year earlier. This decline follows three consecutive years of annual growth and is largely attributable to a weak second quarter. The drop in units stemmed from declines in Southern England, Scotland and Wales. In contrast the Midlands and North of England saw unit approvals grow by 4% and 17% respectively during the first nine months of 2015.

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Notes:

This report is based upon an analysis of housing projects being tracked by Glenigan and held on its database of construction projects. We have now extended the range of projects covered by this report to in order to provide a more complete assessment of the residential development pipeline.

The following restrictions and filters apply to the analysis:

1. New build projects of all sizes are covered by the report (Coverage was previously restricted to approvals 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. Conversions of non-residential properties for housing are included.
4. Private and social housing data includes schemes of 3 or more units.
5. Total residential approvals include 1 & 2 unit schemes together with residential units on mixed used developments
6. Elderly people's homes, Hostels and student accommodation have been excluded from the analysis.
7. 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.

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Housing Approvals

The tables provide a regional breakdown of new building planning approvals since 2008

Table 2: Number of housing units 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	*MAT England
Q1 2008	2,806	10,333	7,322	5,384	5,705	7,951	18,551	10,514	8,802	77,368	2,838	7,457	86,995	**268,345**
Q2 2008	1,919	5,309	3,808	4,660	4,839	6,548	9,843	10,181	6,598	53,705	2,465	9,217	65,066	**261,480**
Q3 2008	1,076	4,463	2,578	3,950	3,623	4,252	9,167	6,724	5,259	41,092	2,372	5,122	48,409	**237,446**
Q4 2008	1,338	3,974	3,983	3,986	2,911	5,065	9,106	9,117	3,953	43,433	2,674	5,360	51,206	**215,598**
Q1 2009	1,530	4,356	3,009	2,991	3,061	4,050	11,475	6,780	5,263	42,515	1,652	4,919	48,834	**180,745**
Q2 2009	1,625	3,330	1,970	2,942	1,758	3,735	7,454	5,634	3,612	32,060	1,089	3,694	36,560	**159,100**
Q3 2009	1,305	3,204	4,385	2,690	2,500	4,036	13,000	6,074	5,691	42,885	1,921	4,064	48,414	**160,893**
Q4 2009	2,399	3,077	4,442	2,939	6,700	4,869	7,094	7,664	5,912	45,096	1,608	8,735	55,212	**162,556**
Q1 2010	2,807	5,947	5,730	3,030	4,654	3,963	13,778	5,450	5,368	50,727	1,789	5,871	58,036	**170,768**
Q2 2010	1,941	4,590	3,493	3,469	4,039	5,394	7,024	6,895	4,824	41,669	1,472	6,258	49,177	**180,377**
Q3 2010	1,074	4,624	2,892	4,326	3,028	4,708	10,549	6,653	5,918	43,772	1,730	4,960	50,297	**181,264**
Q4 2010	985	5,555	3,088	3,526	5,430	4,353	6,694	9,724	3,894	43,249	1,756	3,832	47,187	**179,417**
Q1 2011	1,193	5,394	4,048	3,253	5,228	5,306	10,601	7,727	5,815	48,565	2,999	4,170	54,084	**177,255**
Q2 2011	2,605	3,276	3,748	3,253	3,127	3,671	5,955	5,514	7,746	38,895	1,896	4,140	44,437	**174,481**
Q3 2011	1,061	5,645	2,956	2,534	3,618	5,840	8,646	8,368	5,649	44,317	1,613	4,578	50,347	**175,026**
Q4 2011	1,607	4,673	3,945	4,704	5,124	3,700	7,910	10,243	4,547	46,453	2,009	3,753	51,799	**178,230**
Q1 2012	2,384	4,878	5,226	3,225	5,018	3,930	24,360	6,897	5,694	61,612	1,769	4,259	67,241	**191,277**
Q2 2012	1,772	4,033	2,975	2,986	3,189	3,382	4,578	7,204	5,034	35,153	1,746	3,058	39,640	**187,535**
Q3 2012	2,697	7,081	3,264	1,850	2,926	3,559	8,661	7,861	5,539	43,438	1,225	2,615	47,102	**186,656**
Q4 2012	2,348	7,089	5,134	3,214	4,939	5,229	11,448	10,503	5,520	55,424	1,714	5,460	62,238	**195,627**
Q1 2013	3,045	5,864	5,376	5,156	4,848	5,460	10,816	5,191	5,915	51,671	2,538	3,753	57,643	**185,686**
Q2 2013	2,210	6,779	5,386	6,311	4,933	4,449	8,910	8,277	6,685	53,940	1,697	4,119	59,374	**204,473**
Q3 2013	2,298	6,714	3,413	3,915	5,627	6,217	10,572	7,474	5,229	51,459	1,722	3,810	56,645	**212,494**
Q4 2013	2,458	6,363	3,602	6,450	4,600	6,486	14,878	9,121	7,173	61,131	1,852	4,139	66,958	**218,201**
Q1 2014	3,104	7,904	3,901	6,308	4,777	4,665	10,941	13,435	6,120	61,155	2,998	5,214	69,229	**227,685**
Q2 2014	1,111	6,337	4,338	4,265	4,256	5,002	15,650	10,415	7,406	58,780	2,058	4,428	65,103	**232,525**
Q3 2014	2,128	7,210	4,379	4,761	6,576	4,602	9,952	9,153	4,648	53,409	2,517	3,750	59,402	**234,475**
Q4 2014	3,854	9,465	4,528	5,581	6,093	5,257	15,443	9,971	6,233	66,425	2,119	4,431	72,758	**239,769**
Q1 2015	2,005	7,632	6,197	5,433	5,022	7,008	16,001	7,757	7,104	64,159	1,668	5,006	69,896	**242,773**
Q2 2015	3,150	6,130	5,477	4,656	6,132	5,430	7,223	8,119	6,043	52,360	2,526	3,294	57,659	**236,353**
Q3 2015	2,113	10,233	4,397	4,566	6,242	7,613	9,981	8,281	6,449	59,875	1,129	4,177	64,852	**242,819**

***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**
Q3 2009	95	272	335	252	270	494	516	756	510	3,500	204	382	**4,086**
Q4 2009	88	272	309	240	249	502	460	693	526	3,339	182	356	**3,877**
Q1 2010	108	326	332	349	257	494	524	735	475	3,600	190	405	**4,195**
Q2 2010	100	301	301	344	283	519	513	844	491	3,696	199	401	**4,296**
Q3 2010	103	366	391	367	284	543	605	843	513	4,015	211	406	**4,632**
Q4 2010	111	374	360	344	322	530	585	885	494	4,005	209	378	**4,592**
Q1 2011	72	352	346	309	326	551	589	868	525	3,938	226	353	**4,517**
Q2 2011	93	355	334	281	311	522	546	849	555	3,846	242	319	**4,407**
Q3 2011	129	360	359	305	380	595	646	953	643	4,370	225	412	**5,007**
Q4 2011	101	368	383	342	397	558	626	975	655	4,405	236	333	**4,974**
Q1 2012	103	410	359	341	349	564	847	928	656	4,557	236	371	**5,164**
Q2 2012	174	379	338	338	341	623	478	960	607	4,238	195	356	**4,789**
Q3 2012	135	418	382	340	390	678	591	976	679	4,589	235	350	**5,174**
Q4 2012	117	434	365	371	431	669	683	1,059	752	4,881	242	376	**5,499**
Q1 2013	155	464	361	369	422	646	625	959	647	4,648	230	353	**5,231**
Q2 2013	131	494	364	393	431	721	642	968	617	4,761	219	319	**5,299**
Q3 2013	123	502	365	424	430	748	707	1,100	690	5,089	259	373	**5,721**
Q4 2013	152	488	419	445	453	786	692	1,091	754	5,280	279	353	**5,912**
Q1 2014	133	425	368	376	390	632	642	912	656	4,534	218	356	**5,108**
Q2 2014	102	449	364	375	350	665	587	935	683	4,510	230	338	**5,078**
Q3 2014	94	362	300	321	362	591	480	799	467	3,776	181	308	**4,265**
Q4 2014	116	395	309	359	372	613	530	836	550	4,080	198	341	**4,619**
Q1 2015	114	348	360	337	356	649	537	852	630	4,183	190	306	**4,679**
Q2 2015	112	342	305	319	348	577	512	828	547	3,890	183	306	**4,379**
Q3 2015	103	385	286	358	318	606	514	822	548	3,940	185	318	**4,443**

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Table 4: England – No. of housing units by project size

	10 or more	3-9 units	1 & 2 Units	Misc*	Total
Q1 2009	35,685	4,720	1,866	244	**42,515**
Q2 2009	25,401	4,450	1,938	271	**32,060**
Q3 2009	35,578	4,841	2,035	431	**42,885**
Q4 2009	38,378	4,577	1,916	225	**45,096**
Q1 2010	43,246	5,097	2,039	345	**50,727**
Q2 2010	33,895	5,394	2,164	216	**41,669**
Q3 2010	35,545	5,683	2,389	155	**43,772**
Q4 2010	33,641	5,535	2,435	1,638	**43,249**
Q1 2011	39,085	5,421	2,413	1,646	**48,565**
Q2 2011	30,607	5,236	2,558	494	**38,895**
Q3 2011	35,878	5,191	3,094	154	**44,317**
Q4 2011	37,445	5,489	3,103	416	**46,453**
Q1 2012	51,923	6,439	2,869	381	**61,612**
Q2 2012	26,623	5,080	3,136	314	**35,153**
Q3 2012	34,307	5,721	3,244	166	**43,438**
Q4 2012	45,432	6,274	3,371	347	**55,424**
Q1 2013	42,170	6,426	2,758	317	**51,671**
Q2 2013	44,416	6,230	2,918	376	**53,940**
Q3 2013	41,060	7,005	3,050	344	**51,459**
Q4 2013	50,558	7,320	3,092	161	**61,131**
Q1 2014	51,700	6,822	2,498	135	**61,155**
Q2 2014	49,522	6,427	2,670	161	**58,780**
Q3 2014	44,781	6,586	1,772	270	**53,409**
Q4 2014	57,234	7,036	1,946	209	**66,425**
Q1 2015	53,651	7,799	1,774	935	**64,159**
Q2 2015	42,660	7,508	1,677	515	**52,360**
Q3 2015	50,527	7,262	1,763	323	**59,875**

Table 5: England – No. of housing projects by project size

	10 or more	3-9 units	1 & 2 Units	Misc*	Total
Q1 2009	635	1,040	1,658	20	**3,353**
Q2 2009	510	971	1,726	26	**3,233**
Q3 2009	606	1,044	1,816	34	**3,500**
Q4 2009	674	972	1,682	11	**3,339**
Q1 2010	765	1,060	1,756	19	**3,600**
Q2 2010	643	1,116	1,904	33	**3,696**
Q3 2010	669	1,186	2,131	29	**4,015**
Q4 2010	698	1,163	2,120	24	**4,005**
Q1 2011	736	1,144	2,035	23	**3,938**
Q2 2011	565	1,083	2,184	14	**3,846**
Q3 2011	590	1,132	2,624	24	**4,370**
Q4 2011	597	1,174	2,614	20	**4,405**
Q1 2012	778	1,310	2,442	27	**4,557**
Q2 2012	500	1,068	2,648	22	**4,238**
Q3 2012	551	1,201	2,802	35	**4,589**
Q4 2012	695	1,318	2,840	28	**4,881**
Q1 2013	827	1,354	2,438	29	**4,648**
Q2 2013	772	1,356	2,598	35	**4,761**
Q3 2013	789	1,564	2,696	40	**5,089**
Q4 2013	857	1,592	2,804	27	**5,280**
Q1 2014	745	1,513	2,243	33	**4,534**
Q2 2014	697	1,445	2,340	28	**4,510**
Q3 2014	697	1,502	1,540	37	**3,776**
Q4 2014	830	1,602	1,623	25	**4,080**
Q1 2015	842	1,827	1,488	26	**4,183**
Q2 2015	673	1,769	1,422	26	**3,890**
Q3 2015	689	1,716	1,502	33	**3,940**

***These are housing units or projects that are not primarily for housing but do supply secondary housing space e.g on commercial developments.**

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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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