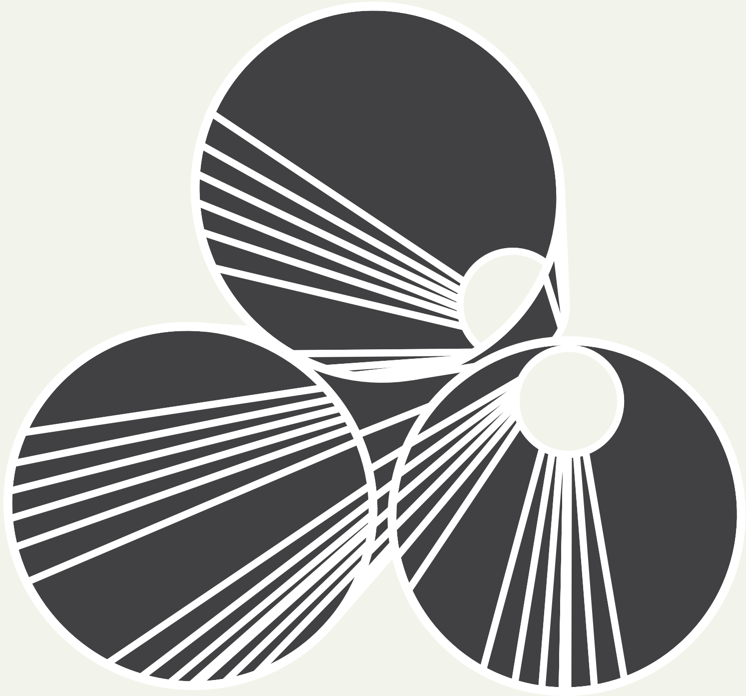
NEW HOUSING PIPELINE



Q4 2015 REPORT

Published April 2016

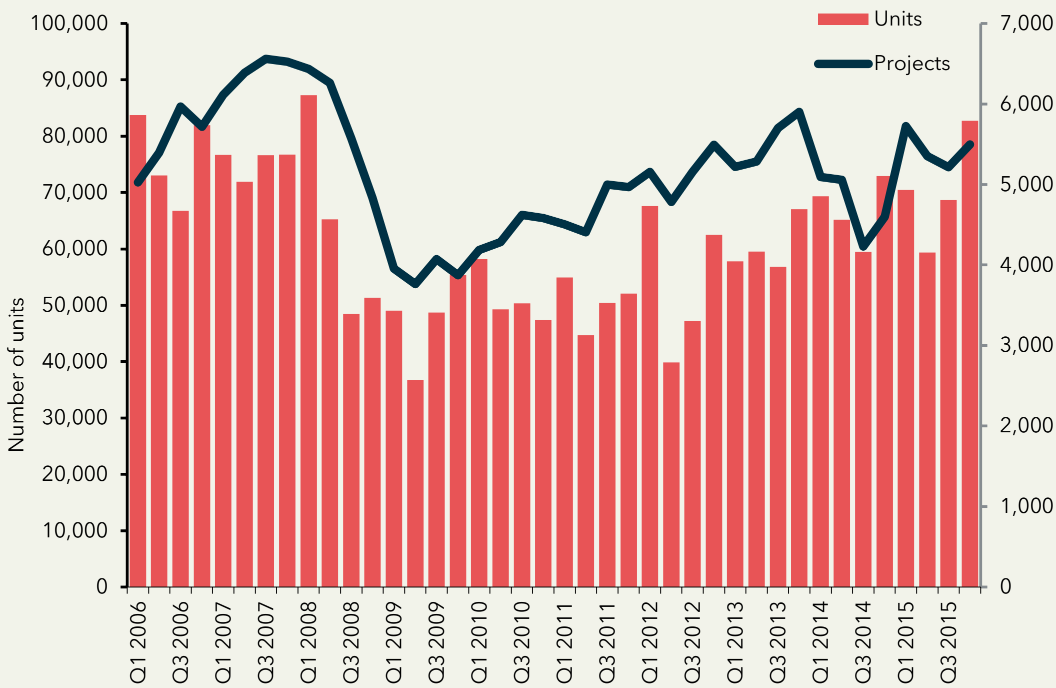
Analysis of market conditions and prospects prepared by Glenigan.

NEW HOUSING PIPELINE

Residential planning approvals strengthened during the final quarter of 2015, building on the recovery seen in the previous quarter. The number of units approved during the quarter was 20% up on both the third quarter and a year ago. The rise, primarily driven by a an increase in the number of private housing units approved, lifted the number of units approved during 2015 as a whole to 281,000, a 5% rise on the previous year.

Overall Glenigan recorded the approval of around 83,700 residential units[1] during the fourth quarter of 2015. Housing schemes of ten or more units accounted for 71,545 or 86% 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.

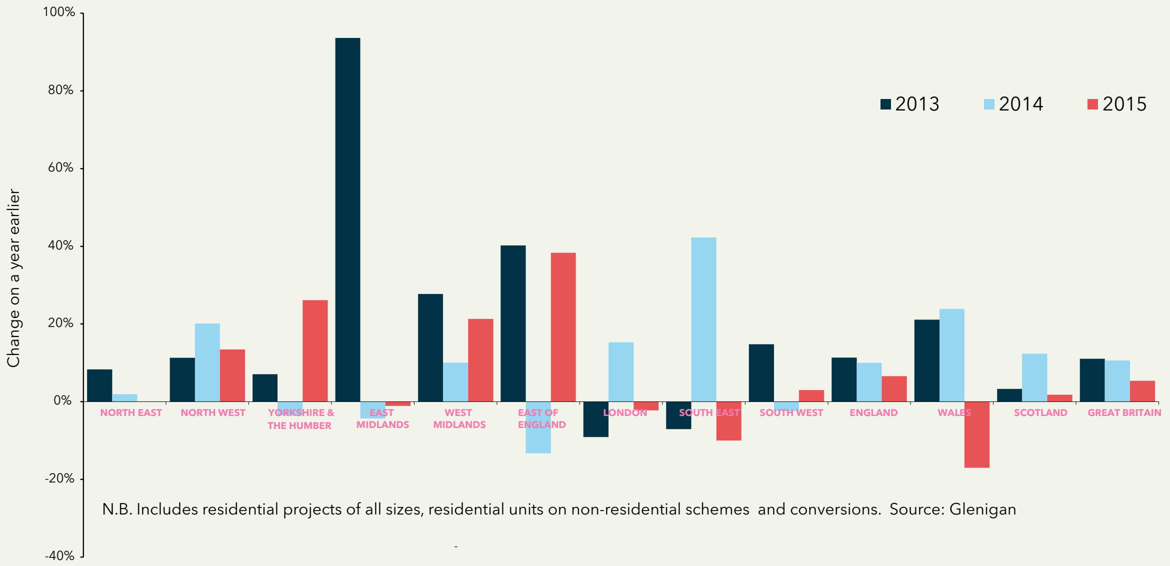
Chart 1: Residential planning approvals (Great Britain)



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

At 2,778, the number of private sector housing projects (schemes of 3 or more units) securing approval during the fourth quarter was 10% up on both the preceding quarter and a year earlier.
However the number of units granted planning permission on private sector projects was 13% up on the preceding quarter and 27% higher than a year earlier. Over 71,500 private units were granted permission during the quarter. The quarter saw a further increase in the number of larger private sector projects of 500 or more units securing approval, with 12 schemes involving over 11,000 units approve d during the quarter.

1 The range of projects covered by this report has been extended and now includes new build housing projects of all sizes, including schemes of less than 10 units, the conversion of non-residential buildings and residential units on mixed use developments.



The number of social housing projects (of three or more units) remained weaken in the fourth quarter, being 1% down on the previous quarter and 7% lower than a year ago. The number of social housing units approved during 2015 Q4 was 11% lower than in the previous quarter, but remained 17% up on a year earlier.

The rise in units planning was broadly based across the country. East & West Midlands, South East, East of England, Wales and Scotland all saw a sharp increases of 20% or more in in the number of units approved compared to a year earlier. Unit approvals in London improved against the previous quarter, but were still 5% lower than a year ago.

Table 1: Number of residential units approved

	North of England	Midlands	Southern England	England - All	Wales	Scotland	Great Britain
2010	42,696	29,613	105,238	177,547	6,749	20,892	205,188
2011	40,188	29,283	106,738	176,209	9,235	16,701	202,145
2012	48,947	26,369	119,984	195,300	6,457	15,349	217,106
2013	53,500	41,117	122,871	217,488	7,821	15,852	241,161
2014	58,241	42,120	138,949	239,310	9,690	17,812	266,812
2015	66,882	46,415	141,735	255,032	8,043	18,135	281,210
	Change on a year earlier						
2010	23%	20%	2%	9%	8%	-2%	8%
2011	-6%	-1%	1%	-1%	37%	-20%	-1%
2012	22%	-10%	12%	11%	-30%	-8%	7%
2013	9%	56%	2%	11%	21%	3%	11%
2014	9%	2%	13%	10%	24%	12%	11%
2015	15%	10%	2%	7%	-17%	2%	5%

N.B. Residential projects of all sizes and residential units on non-residential projects and conversions.

The stronger third and fourth quarter performance, offset the impact of weak approval levels earlier in the year. Overall unit approvals in Great Britain during 2015 were 5% up the previous year; the fourth consecutive year of rising approvals. The strongest growth during the year was in the East of England, Yorkshire & the Humber and the West Midlands with increases of 38%, 26% and 21% respectively.

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.

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	2,804	10,336	7,323	5,383	5,481	7,946	18,400	10,521	8,772	76,966	2,868	7,450	87,284	**264,941**
Q2 2008	1,910	5,326	3,811	4,660	4,624	6,526	9,922	10,200	6,604	53,583	2,465	9,213	65,261	**258,031**
Q3 2008	1,105	4,460	2,578	3,908	3,519	4,256	9,185	6,716	5,264	40,991	2,372	5,123	48,486	**236,604**
Q4 2008	1,327	3,994	3,990	4,051	2,743	5,037	9,099	9,114	3,954	43,309	2,675	5,344	51,328	**214,849**
Q1 2009	1,523	4,354	3,015	2,991	2,859	4,043	11,622	6,782	5,266	42,455	1,653	4,915	49,023	**180,338**
Q2 2009	1,622	3,329	1,978	2,943	1,523	3,733	7,612	5,633	3,612	31,985	1,090	3,682	36,757	**158,740**
Q3 2009	1,300	3,217	4,409	2,688	2,144	4,034	13,173	6,059	5,696	42,720	1,921	4,039	48,680	**160,469**
Q4 2009	2,393	3,062	4,442	2,936	6,500	4,885	7,246	7,664	5,916	45,044	1,608	8,744	55,396	**162,204**
Q1 2010	2,798	5,937	5,734	3,031	4,546	3,961	13,725	5,424	5,365	50,521	1,791	5,866	58,178	**170,270**
Q2 2010	1,927	4,589	3,496	3,502	3,905	5,397	6,984	6,929	4,829	41,558	1,472	6,253	49,283	**179,843**
Q3 2010	1,057	4,622	2,898	4,326	2,927	4,705	10,547	6,656	5,930	43,668	1,730	4,952	50,350	**180,791**
Q4 2010	984	5,556	3,098	3,531	3,845	4,335	6,843	9,716	3,892	41,800	1,756	3,821	47,377	**177,547**
Q1 2011	1,181	5,369	4,051	3,257	4,359	5,329	10,631	7,731	5,097	47,005	3,715	4,183	54,903	**174,031**
Q2 2011	2,605	3,448	3,748	3,256	2,867	3,480	5,956	5,525	7,744	38,629	1,898	4,159	44,686	**171,102**
Q3 2011	1,060	5,645	2,961	2,533	3,479	5,842	8,745	8,367	5,650	44,282	1,613	4,571	50,466	**171,716**
Q4 2011	1,538	4,637	3,945	4,710	4,822	3,701	8,083	10,243	4,614	46,293	2,009	3,788	52,090	**176,209**
Q1 2012	2,381	4,881	5,227	3,223	4,674	3,937	24,652	6,888	5,696	61,559	1,769	4,241	67,569	**190,763**
Q2 2012	1,780	4,081	2,977	2,968	2,967	3,361	4,660	7,212	5,036	35,042	1,747	3,055	39,844	**187,176**
Q3 2012	2,703	7,080	3,270	1,883	2,805	3,559	8,667	7,849	5,534	43,350	1,225	2,606	47,181	**186,244**
Q4 2012	2,338	7,092	5,137	3,212	4,637	5,221	11,676	10,511	5,525	55,349	1,716	5,447	62,512	**195,300**
Q1 2013	3,037	5,884	5,377	5,155	4,672	5,398	10,818	5,197	5,916	51,454	2,540	3,791	57,785	**185,195**
Q2 2013	2,198	6,781	5,389	6,304	4,693	4,436	8,921	8,275	6,692	53,689	1,698	4,115	59,502	**203,842**
Q3 2013	2,297	6,721	3,414	3,942	5,413	6,230	10,479	7,574	5,229	51,299	1,722	3,808	56,829	**211,791**
Q4 2013	2,437	6,361	3,604	6,452	4,486	6,484	14,919	9,122	7,181	61,046	1,861	4,138	67,045	**217,488**
Q1 2014	3,107	7,899	3,903	6,305	4,674	4,703	10,941	13,445	6,119	61,096	3,000	5,212	69,308	**227,130**
Q2 2014	1,080	6,329	4,340	4,266	4,173	5,003	15,633	10,423	7,432	58,679	2,053	4,429	65,161	**232,120**
Q3 2014	2,124	7,215	4,382	4,761	6,435	4,597	9,937	9,083	4,649	53,183	2,517	3,746	59,446	**234,004**
Q4 2014	3,851	9,479	4,532	5,582	5,924	5,249	15,530	9,976	6,229	66,352	2,120	4,425	72,897	**239,310**
Q1 2015	1,943	7,606	6,390	4,537	4,541	7,257	15,975	8,273	7,191	63,713	1,722	5,041	70,476	**241,927**
Q2 2015	3,164	6,251	5,535	4,753	5,763	5,595	7,726	8,502	6,155	53,444	2,583	3,307	59,334	**236,692**
Q3 2015	2,117	10,669	4,512	4,424	6,070	7,719	12,445	8,525	6,635	63,116	1,178	4,394	68,688	**246,625**
Q4 2015	2,942	10,548	5,205	6,976	9,351	6,478	14,743	13,335	5,181	74,759	2,560	5,393	82,712	**255,032**

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

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	165	422	592	439	414	791	800	1,071	859	5,553	346	537	**6,436**
Q2 2008	184	468	473	427	374	758	735	1,125	846	5,390	347	525	**6,262**
Q3 2008	132	409	455	371	364	650	667	1,023	761	4,832	299	442	**5,573**
Q4 2008	107	361	417	345	308	592	595	831	639	4,195	234	406	**4,835**
Q1 2009	95	308	291	295	234	467	480	594	583	3,347	226	380	**3,953**
Q2 2009	86	267	271	271	240	431	424	691	541	3,222	192	349	**3,763**
Q3 2009	94	272	334	251	268	493	513	753	507	3,485	204	382	**4,071**
Q4 2009	87	272	308	240	249	501	459	693	525	3,334	182	355	**3,871**
Q1 2010	108	326	332	349	256	493	523	732	473	3,592	190	404	**4,186**
Q2 2010	100	300	299	344	282	518	512	842	487	3,684	199	401	**4,284**
Q3 2010	103	365	390	366	284	543	603	842	510	4,006	211	405	**4,622**
Q4 2010	111	370	359	344	322	529	585	883	494	3,997	208	377	**4,582**
Q1 2011	72	352	345	308	325	550	588	866	524	3,930	224	352	**4,506**
Q2 2011	93	355	334	281	311	521	545	849	555	3,844	242	319	**4,405**
Q3 2011	129	359	358	305	378	594	645	951	642	4,361	225	412	**4,998**
Q4 2011	101	367	383	341	397	556	626	975	654	4,400	236	333	**4,969**
Q1 2012	101	410	358	341	349	563	846	927	655	4,550	236	371	**5,157**
Q2 2012	172	378	337	338	341	622	478	959	607	4,232	195	356	**4,783**
Q3 2012	134	418	382	337	387	676	590	974	678	4,576	232	349	**5,157**
Q4 2012	116	434	363	371	429	669	683	1,059	750	4,874	242	375	**5,491**
Q1 2013	155	462	361	366	420	644	625	957	646	4,636	230	353	**5,219**
Q2 2013	130	489	364	390	431	719	642	967	617	4,749	218	318	**5,285**
Q3 2013	123	501	364	422	428	743	706	1,097	689	5,073	256	373	**5,702**
Q4 2013	152	486	418	443	451	785	692	1,090	752	5,269	278	352	**5,899**
Q1 2014	132	424	368	376	390	627	640	910	656	4,523	218	353	**5,094**
Q2 2014	101	447	363	374	350	661	585	930	681	4,492	229	336	**5,057**
Q3 2014	94	362	299	317	358	584	479	790	463	3,746	180	305	**4,231**
Q4 2014	116	395	308	358	372	605	529	830	548	4,061	196	341	**4,598**
Q1 2015	145	423	431	403	422	783	695	1,051	798	5,151	234	340	**5,725**
Q2 2015	128	441	355	388	398	712	651	1,023	700	4,796	218	338	**5,352**
Q3 2015	116	456	347	405	376	694	627	969	662	4,652	217	347	**5,216**
Q4 2015	128	499	368	418	496	695	652	1,013	622	4,891	244	360	**5,495**

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	184	42,455
Q2 2009	25,401	4,450	1,938	196	31,985
Q3 2009	35,578	4,841	2,035	266	42,720
Q4 2009	38,378	4,577	1,916	173	45,044
Q1 2010	43,246	5,097	2,039	139	50,521
Q2 2010	33,895	5,394	2,164	105	41,558
Q3 2010	35,545	5,683	2,389	51	43,668
Q4 2010	33,641	5,535	2,435	189	41,800
Q1 2011	39,085	5,421	2,413	86	47,005
Q2 2011	30,607	5,236	2,558	228	38,629
Q3 2011	35,878	5,191	3,094	119	44,282
Q4 2011	37,445	5,489	3,103	256	46,293
Q1 2012	51,923	6,439	2,869	328	61,559
Q2 2012	26,623	5,080	3,136	203	35,042
Q3 2012	34,307	5,721	3,244	78	43,350
Q4 2012	45,432	6,274	3,371	272	55,349
Q1 2013	42,170	6,426	2,758	100	51,454
Q2 2013	44,416	6,230	2,918	125	53,689
Q3 2013	41,060	7,005	3,050	184	51,299
Q4 2013	50,558	7,319	3,092	77	61,046
Q1 2014	51,700	6,822	2,498	76	61,096
Q2 2014	49,522	6,425	2,670	62	58,679
Q3 2014	44,781	6,586	1,772	44	53,183
Q4 2014	57,234	7,035	1,946	137	66,352
Q1 2015	52,486	7,836	2,809	582	63,713
Q2 2015	42,907	7,559	2,625	353	53,444
Q3 2015	53,071	7,369	2,494	182	63,116
Q4 2015	64,747	7,449	2,524	39	74,759

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

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	14	3,347
Q2 2009	510	971	1,726	15	3,222
Q3 2009	606	1,044	1,816	19	3,485
Q4 2009	674	972	1,682	6	3,334
Q1 2010	765	1,060	1,756	11	3,592
Q2 2010	643	1,116	1,904	21	3,684
Q3 2010	669	1,186	2,131	20	4,006
Q4 2010	698	1,163	2,120	16	3,997
Q1 2011	736	1,144	2,035	15	3,930
Q2 2011	565	1,083	2,184	12	3,844
Q3 2011	590	1,132	2,624	15	4,361
Q4 2011	597	1,174	2,614	15	4,400
Q1 2012	778	1,310	2,442	20	4,550
Q2 2012	500	1,068	2,648	16	4,232
Q3 2012	551	1,201	2,802	22	4,576
Q4 2012	695	1,318	2,840	21	4,874
Q1 2013	827	1,354	2,438	17	4,636
Q2 2013	772	1,356	2,598	23	4,749
Q3 2013	789	1,564	2,696	24	5,073
Q4 2013	857	1,592	2,804	16	5,269
Q1 2014	745	1,513	2,243	22	4,523
Q2 2014	697	1,445	2,332	18	4,492
Q3 2014	697	1,502	1,519	28	3,746
Q4 2014	830	1,602	1,609	20	4,061
Q1 2015	839	1,835	2,456	21	5,151
Q2 2015	679	1,782	2,315	20	4,796
Q3 2015	695	1,745	2,188	24	4,652
Q4 2015	841	1,795	2,230	25	4,891

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

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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