



Housing supply: Indicators of new supply, England January to June 2020

Building control figures (seasonally adjusted):

The number of dwellings where - according to building control figures - building work has **started** on site was **15,930** in April to June 2020. This is a **52 per cent decrease** when compared to last quarter and this steep fall in activity reflects UK government **COVID-19** lockdown measures. It follows a recent trend of a slowdown in growth with six of the last six quarters showing a decrease.

The number of dwellings **completed** - according to building control figures - on site was **15,950** in April to June 2020. This is a **62 per cent decrease** when compared to last quarter and following on from the 5 per cent decrease in the previous quarterly change, this represents a steep fall after a period of sustained growth.

See chart below for the trends in quarterly building control figures (seasonally adjusted).



Other housing supply indicators:

There were **29,000** new dwelling Energy Performance Certificates lodged in England in the quarter ending June 2020. This represents a **56 per cent decrease** compared to the same quarter last year, and a **14 per cent decrease** on the previous 12 months.

There was a net increase of **243,720** in the number of domestic properties with a council tax band in England between March 2019 and March 2020.



Housing Statistical Release

30 September 2020

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Introduction

The purpose of this release is to provide an indication of the levels of and trends in new housing supply in **England** (please refer to the Technical Notes document for information on statistics in Scotland, Wales and Northern Ireland). This statistical release presents National Statistics on **building control reported estimates** of housing supply in England up to 30 June 2020. The figures also show estimates of housing supply in England using other, additional, data sources.

The 'new build dwelling' figures are based on building control inspection data, submitted to the Ministry by local authorities, the National House Building Council (NHBC) and other independent approved building control inspectors. This series began in 1946 based solely on Local Authority building control. NHBC data were added from 1985 and, after 2007, legislation allowed data from independent approved inspectors. This release marks the first release following a consultation of users as to what changes could be made to make the purpose of the release clear and to improve its usefulness.

The Ministry of Housing, Communities and Local Government (MHCLG) also publishes an annual release entitled 'Housing supply: net additional dwellings', which is the primary and most comprehensive measure of housing supply. The indicators of new supply release should be regarded as a leading indicator of overall housing supply. The next release of 'Housing supply: net additional dwellings' will be in November 2020.

Changes in this release

MHCLG published a consultation, on 26 March 2020, on proposed changes to further improve the house building statistics. The consultation is available at the following link:

<https://www.gov.uk/government/consultations/house-building-statistics-proposed-changes>

In response, we have now included:

- Other statistical sources alongside those from building control to show a broader picture of the trends in house building in England.
- A quarterly index of the building control data is included to further emphasise their use in highlighting trends, but not levels, in housing supply.
- The method used to derive the tenure of completions has been revised for more recent years in this release as using the data from the Affordable Housing Supply (AHS) release is more accurate. The building control data reports the provider type for the dwellings whereas the Affordable Housing Supply reports the final tenure of dwellings.
- Changing the title of the release from 'House building; new build dwellings' to 'Housing supply; Indicators of new supply'. This title better reflects the updated content of the release and give users clarity about what the best use for these statistics are.

In addition, we have made changes throughout the release to highlight as clearly as possible important points of note / caution / guidance for users of the release (for example emphasising in figure headings where the data should be used to look at trends rather than absolute numbers, the source of the figures shown, e.g. building control data, the geographical coverage of data, etc.).

COVID-19

This release contains new data for two quarters as the previous release was cancelled due to the response to COVID-19 and the effect this had on data collection.

Building control reported new build starts and completions

It is estimated that the building control sourced data currently provides information on about 80% of house building in England, further details are available in the technical notes that support this release. These figures should therefore be used as a leading indicator of trends in total housing supply which is published in the net additional dwelling release in November.

Building control – latest quarterly update

Quarterly figures for new build dwelling starts and completions are given on a seasonally adjusted basis. These should be used for quarterly comparisons to see trends.

Starts – June quarter 2020

Seasonally adjusted new build dwelling starts in England are estimated at 15,930 (seasonally adjusted) in the June quarter 2020, a 52 per cent decrease compared to the March quarter 2020. Compared to a year ago, starts this quarter are down by 59 per cent. Starts are 67 per cent below their March quarter 2007 peak and are 7 per cent below the previous trough in the March quarter of 2009. It is the lowest quarterly starts figure in the seasonally adjusted time series (which begins in the year 2000).

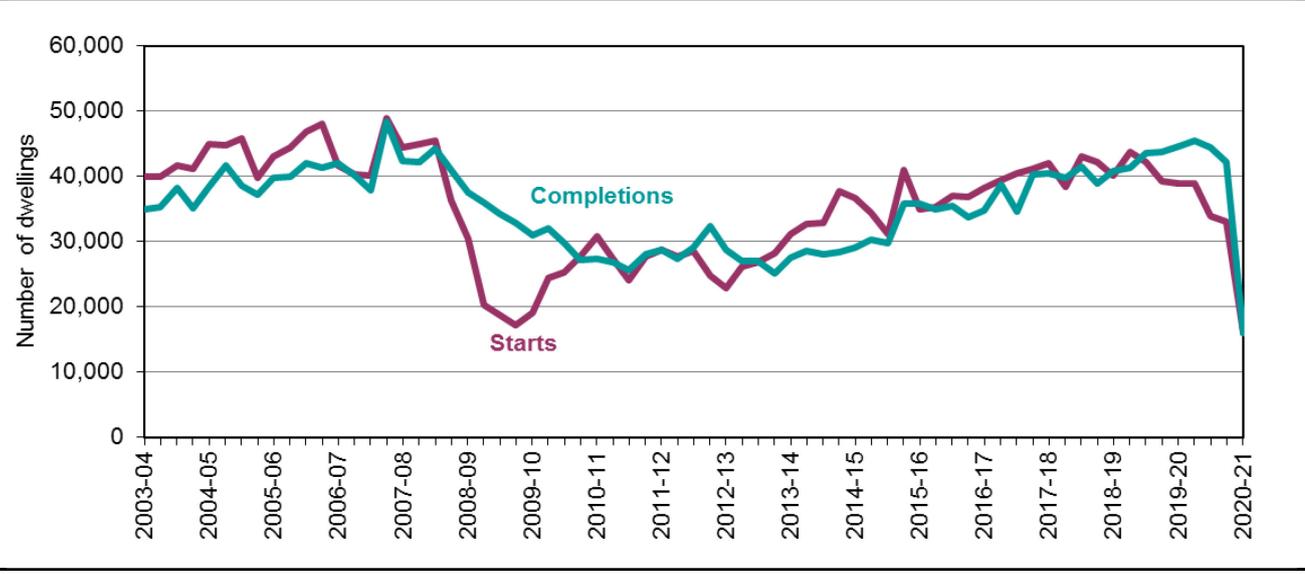
Completions – June quarter 2020

Completions were estimated at 15,950 (seasonally adjusted) in the June quarter 2020, a 62 per cent decrease from the previous quarter and 64 per cent below their level in the same quarter a year ago. Completions are now 67 per cent below their peak in the March quarter 2007 and 37 per cent below the previous trough in March quarter 2013. It is the lowest quarterly completions figure in the seasonally adjusted time series (which begins in the year 2000).

Long term trends

Looking at Figure 1, completions increased gradually from 2003-04 reaching a similar level to starts by 2007. Completions fell more slowly than starts during the downturn but over a longer period. From 2009 starts began to recover and during the next two years both series converged and levelled out. From 2013 to 2018, starts and completions grew again gradually. Since 2019, completions continue to grow, but there has been a sustained decrease in starts and more recently a steep fall in starts and completions reflecting UK government COVID-19 lockdown measures.

Figure 1: Seasonally adjusted trends in quarterly building control reported new build dwelling starts and completions, England

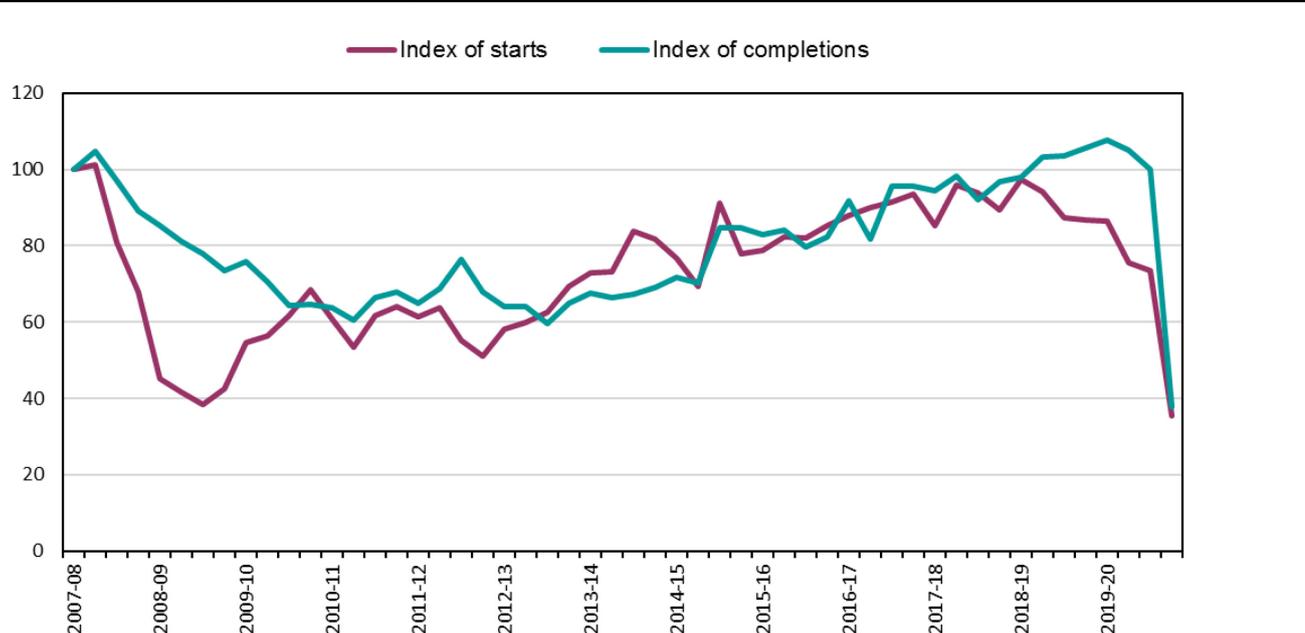


The chart includes data from independent approved inspectors from June quarter 2007.

Quarterly Index

The chart below shows the quarterly trends of starts and completions as an index starting at 100 in June 2007. This should be used when looking at the rate of change of starts and completions rather than the numeric change. The index shows a similar pattern to the quarterly estimates with the recent downturn in starts and completions clearly evident.

Figure 2: Index of building control reported new build dwelling starts and completions, quarterly (seasonally adjusted), England

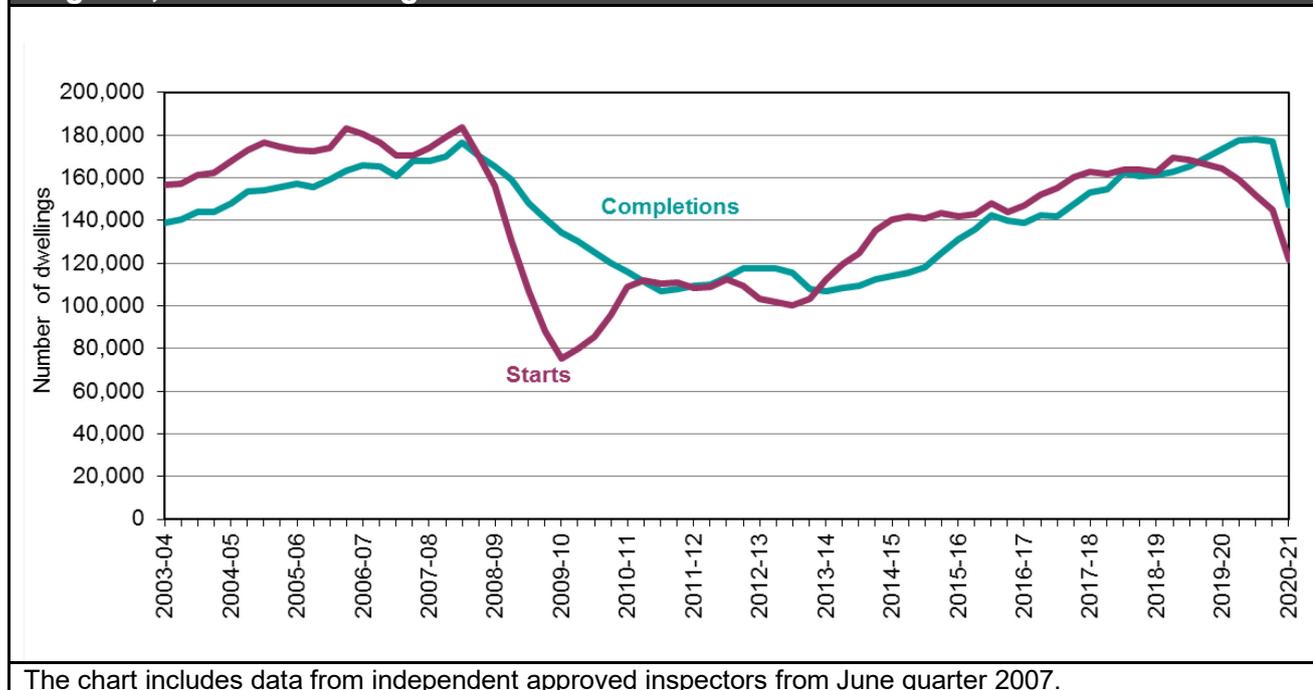


This chart begins in the June quarter of 2007 as data from independent approved inspectors was included from this point.

Building control – latest 12 months update

These figures are not seasonally adjusted and give the annual estimates for house building over rolling 12-month periods. These data can be used to make year on year comparisons.

Figure 3: Trends in building control reported estimates of starts and completions, England, 12 month rolling totals



Long term annual trends

Annual new build dwelling starts were increasing from 2003-04 until reaching a peak of 183,600 in 2007. Starts fell sharply during the downturn to a low of 75,350 in the year ending June 2009. Since then, starts have experienced some periods of growth and levelling off and now decreases, averaging around 143,000 for the past two years.

Similarly, annual completions increased from 2003-04, reaching a peak of 176,650 in the year ending December 2007. Completions then fell gradually through 2008 - 2010. Despite fluctuations, completions had increased gradually from 2013 to 2019 before recent decreases in 2020, averaging around 160,000 for the past two years.

Starts – year ending June 2020

There were 121,630 estimated new build dwellings starts in the year to June 2020, a 26 per cent decrease compared to the year to June 2019.

Completions – year ending June 2020

An estimated 147,180 new build dwellings were completed in the year to June 2020, a decrease of 15 per cent compared to the year to June 2019.

Table 1: Estimated annual total new building control reported build dwelling starts and completions¹, England, not seasonally adjusted^{2,3}

| | | All Starts | | All Completions | |
|------|---------|------------------------------|---------------------------|-----------------------------------|---------------------------|
| | | Starts in previous 12 months | % change on previous year | Completions in previous 12 months | % change on previous year |
| 2007 | Jul-Jun | 174,000 | -4% | 168,120 | 1% |
| 2008 | Jul-Jun | 156,090 | -10% | 165,520 | -2% |
| 2009 | Jul-Jun | 75,350 | -52% | 134,110 | -19% |
| 2010 | Jul-Jun | 108,640 | 44% | 116,160 | -13% |
| 2011 | Jul-Jun | 108,370 | 0% | 109,450 | -6% |
| 2012 | Jul-Jun | 103,420 | -5% | 117,650 | 7% |
| 2013 | Jul-Jun | 112,660 | 9% | 106,960 | -9% |
| 2014 | Jul-Jun | 140,330 | 25% | 114,060 | 7% |
| 2015 | Jul-Jun | 141,940 | 1% | 131,430 | 15% |
| 2016 | Jul-Jun | 147,250 | 4% | 138,840 | 6% |
| 2017 | Jul-Jun | 162,680 | 10% | 153,400 | 10% |
| 2018 | Jul-Jun | <i>R</i> 162,830 | 0% | 161,210 | 5% |
| 2019 | Jul-Jun | <i>R</i> 164,160 | 1% | 173,350 | 8% |
| 2020 | Jul-Jun | <i>P</i> 121,630 | -26% | 147,180 | -15% |

Sub-national trends

Figure 4 shows generally higher rates of starts per 1,000 dwellings in the East Midlands and East of England, and higher rates of completions per 1,000 dwellings in the South East and East of England.

Starts

In the year to June 2020, there was a decrease in all regions and starts in the North West were 15,480, falling by 34% from the year to June 2019, the largest percentage decrease of any region. London had the smallest percentage decrease with a 13% decrease in the same period.

Completions

In the year to June 2020, there was a decrease in all regions except London. London was the only region to grow with 20,760 completions, an increase of 3% from the year to June 2019. The North East was the region with the largest percentage decrease, with a fall of 27% in the same period.

Local Authority

Local Authority level building control reported house building statistics are found in Live Table 253 and 253a. Figures aggregate to Local Enterprise Partnership geographies are in Live Table 255.

Figure 4: Starts per 1,000 dwellings (left) and completions per 1000 dwellings (right) for each English region in the 12 months to June 2020.

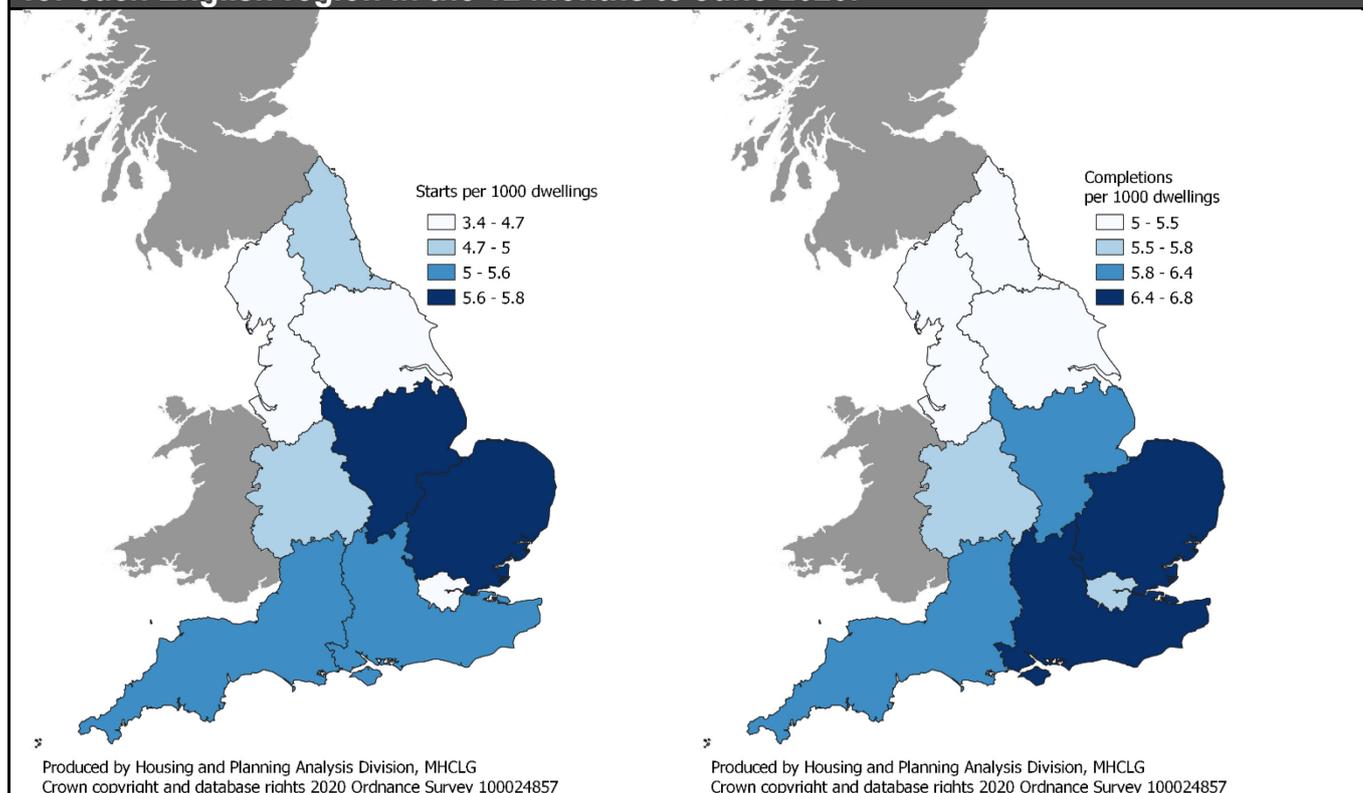


Figure 4 shows the number of starts and completions per 1000 dwellings in each of the 9 English regions over the year to June 2020. To show house building in proportion to the size of each district we divide the number of starts or completions in the year by the existing dwelling stock. The result is multiplied by 1,000 to give a figure that is easier to interpret.

For example, a region with 100,000 dwellings where, over the previous year, 570 new dwellings are started. This would give a value of 5.7 new dwellings per thousand of existing stock and would therefore be shaded in dark blue in the coloured map for starts.

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Final tenure estimate – new build completions

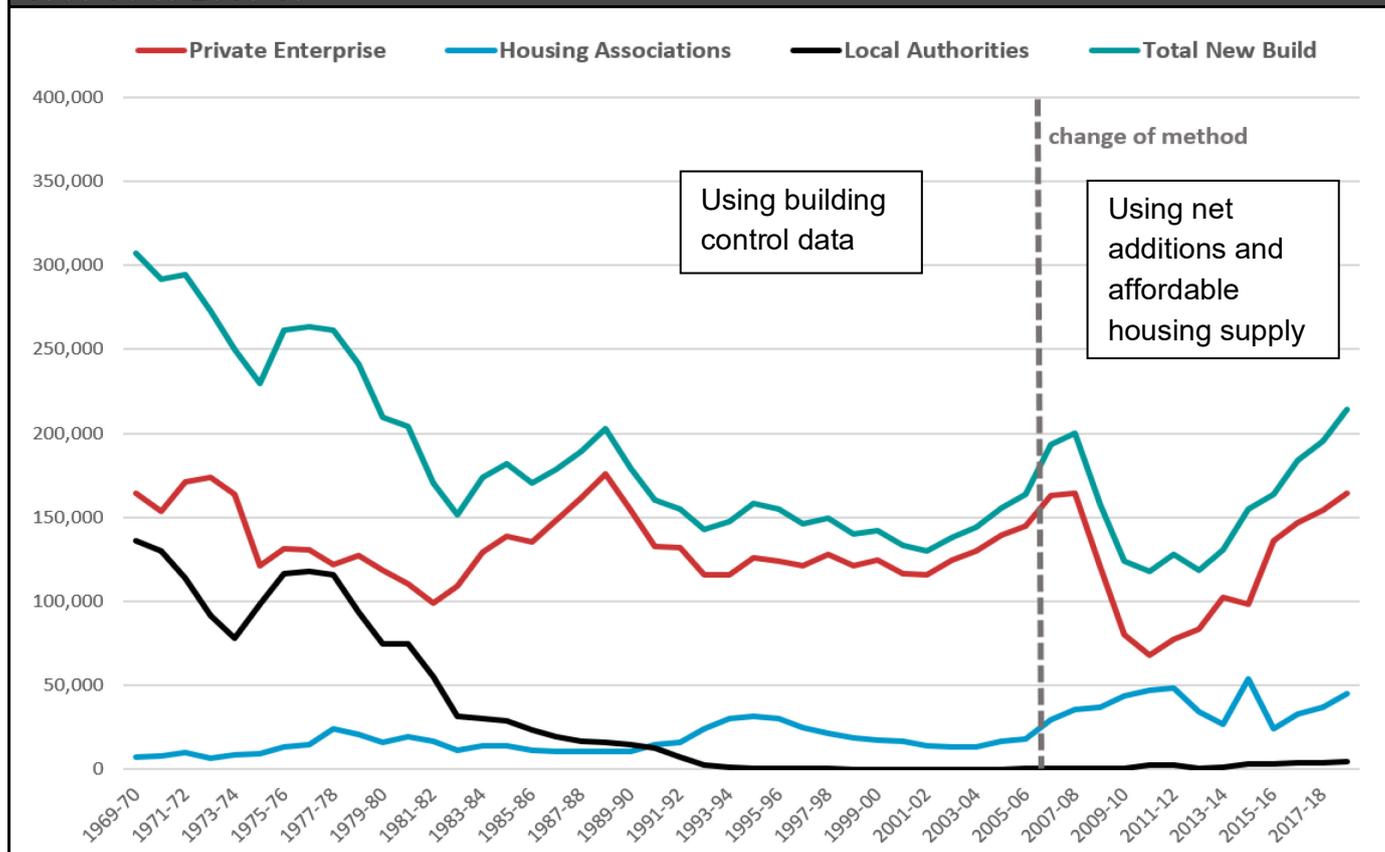
Figure 5 below shows the estimated final tenure¹ split of new build completions since 2006-07 using a modelled approach based on the Affordable Housing Supply Statistics explained in the methodology section below.

The tenure as given by building control sources shows that up to the 1980's a large number of completions were delivered by Local Authorities (Council housing) peaking at 87% delivery in 1951 and that the private sector delivery increased rapidly in the 1950's and soon started dominating the market, peaking at 90% delivery in 2003-04.

In 2018-19, it is estimated that Private Enterprise delivered 77%, Housing Associations 21% and Local Authorities 2% of new build dwellings.

¹ The final tenure is the final usage of the new dwellings i.e. whether they are for private ownership, housing associations or local authority housing stock. This is different to the tenure of the developer as private developers also build for housing associations and local authorities.

Figure 5: Number of permanent new build dwellings completed, by final tenure, England, 1969-70 to 2018-19



Sources: 1969-70 – 2005-06 Building control reported build dwellings Live Table 213
 2006-07 – 2018-19:
 Total New Build: Housing supply: net additional dwellings 2018-19, Live Table 120
 Housing Association New Build: Affordable Housing Supply 2018-19, Open Data
 Local Authority New Build: Affordable Housing Supply 2018-19, Open Data
 Private Enterprise: Modelled as Total new build - housing association and local authority components

Methodology

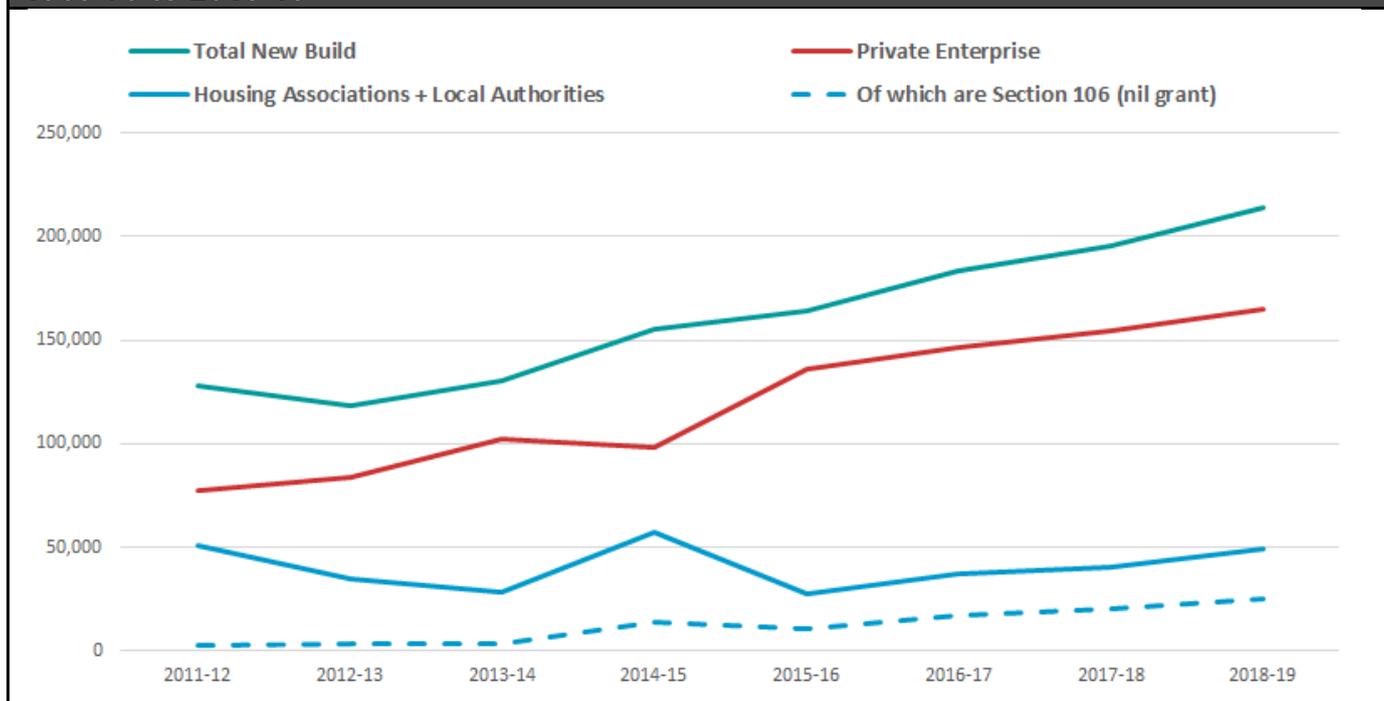
This estimate of tenure split in Figure 5 uses total new build completions from net additions and completions delivered by Housing Associations (HAs) and Local Authorities (LAs) from the Affordable Housing Supply release to estimate the Private Enterprise (PE) delivery.

Prior to 2005-06 the tenure split is estimated using the building control reported data, which reports on the provider type. However, this is not the same as providing an estimate of the final tenure of the dwellings once they are completed. It is not always possible, nor is it the responsibility, of a building control inspector to know the final tenure and this is likely to cause an over estimation of the supply for private enterprise.

From 2006-07 onwards the affordable housing statistics and net additional dwellings are used to model the tenure split, this method will be more accurate in providing the final tenure of new housing supply. This series begins at 2006-07 as this is when a new build component in the net additions estimates was first published.

Included in Figure 6 are the number of units whose final tenure is either Housing Association or Local Authorities having been provided under Section 106(nil grant) agreements. In 2018-19, over half of the completions delivered through Housing Associations and Local Authorities were under Section 106 agreements. The Section 106 (nil grant) figures before 2011 are not included however as the data were not collected. Non-registered providers and unknown providers contributing to affordable housing delivery are being included in the Private Enterprise estimate in Figures 5 and 6.

Figure 6: Number of permanent new build dwellings completed, by tenure, England, 1969-70 to 2018-19



Source: Total New Build: Housing supply: net additional dwellings 2018-19, Live Table 120
Housing Association + Local Authority New Build: Affordable Housing Supply 2018-19, Open Data
Private Enterprise: Modelled as Total new build - housing association and local authority components
Section 106 (nil grant): Affordable Housing Supply 2018-19, Open Data

Further indicators of supply

This section of the release provides analysis of other indicators of housing supply. It is intended that these indicators along with the building control data provide a suite of information which give a rounded estimate of the current trends in housing supply and what the more complete estimate of supply (Net additional dwellings) will show in November.

The Ministry of Housing, Communities and Local Government publishes quarterly experimental official statistics on the Energy Performance of Buildings² which includes statistics on Energy Performance Certificates (EPCs) lodged for new dwellings. These can be compared to the previously mentioned annual 'Housing supply: net additional dwellings' release, which is the primary measure of housing supply.

EPCs provide a very close estimate to net additions. As with the net additions figures, those from the EPC data include new builds, conversions and change of use etc. They are not a direct comparison with the building control figures shown earlier in this release. This is the reason for the use of other sources to estimate new build completions.

Quarterly comparison: new dwelling EPCs and new build completions

Quarterly figures on EPCs lodged for new dwellings have followed a similar trend to quarterly new build dwelling completions since 2009-10. The number of new dwelling EPCs lodged are higher than quarterly new build completions as they comprise of new build dwellings plus dwelling conversions (for example a house into flats) and change of use of an existing building (for example a shop into a house or a barn conversion). One of the reasons for the difference between the two sets of figures is partly due to an increase in the number of new dwellings created through change of use.

There were 29,000 new dwelling EPCs lodged in England in the quarter ending June 2020. This represents a 56 per cent decrease compared to the same quarter last year, and a 14 per cent decrease on the previous 12 months. A reduction in construction activity would contribute to the delay in EPC assessments of new dwellings. COVID-19 lockdown restrictions eased on 13 May 2020 and EPC lodgements for both new and existing dwellings have started to recover, though EPCs for new dwellings are recovering at a slower rate.

Annual comparison: new dwelling EPCs and net additional dwellings

Both net additional dwellings and EPCs lodged for new dwellings in England have been steadily increasing since 2012-13, the low point following the economic downturn. In 2018-19, net additions reached 241,000 and new dwelling EPCs totalled 249,900. In 2019-20 new dwelling EPCs reached 254,900, an increase of 2% per cent since 2018-19.

Council Tax Stock of Properties

The Valuation Office Agency publishes annual official statistics on the number of domestic properties with a council tax band in England³ which includes statistics on the net increase in the stock of domestic properties. These can be compared to net additions statistics though it is an approximate comparison because the VOA figures include communal accommodation and

² While the EPBC statistical release covers England and Wales, the accompanying tables also have data for England and Wales separately. Energy Performance of Buildings Statistics, <https://www.gov.uk/government/collections/energy-performance-of-buildings-certificates>

³ While the statistical release covers England and Wales, the accompanying tables also have data for England and Wales separately. Council Tax Stock of Properties, <https://www.gov.uk/government/collections/valuation-office-agency-council-tax-statistics>

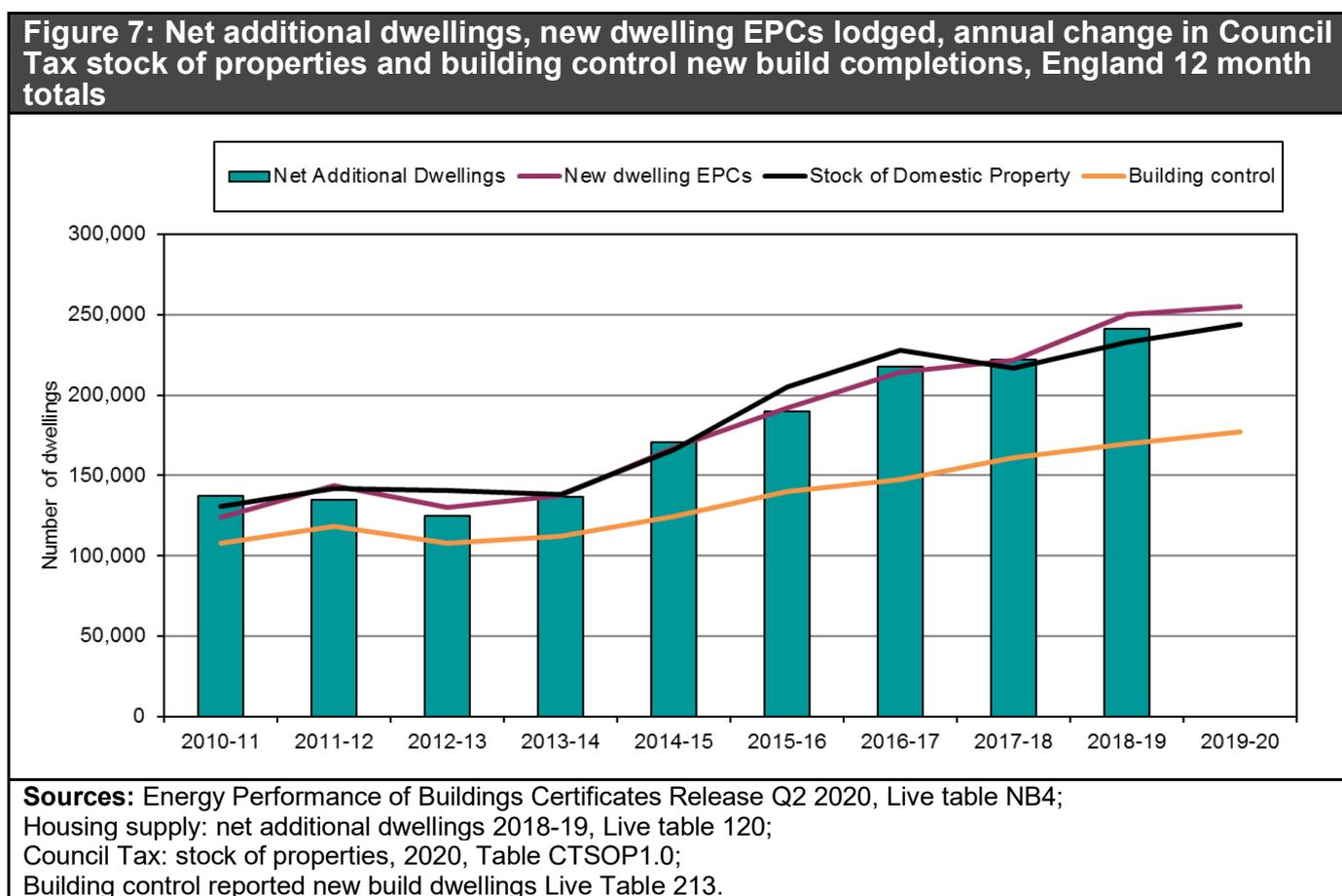
properties moving between the business rates list and the council tax list (e.g. re-classification of holiday lets to a dwelling). Previous data show it can over or under-estimate net additions (Figure 6 and Table 5). The Stock of properties also includes new builds, conversions and change of use etc. so are not a direct comparison with the building control figures.

Annual comparison: Net change in domestic properties and net additional dwellings

Net additional dwellings and the change in stock of properties in England have been steadily increasing since 2012-13 or 2013-14 respectively, the low point following the economic downturn. In 2018-19, net additions reached 241,000 and the change in stock of properties totalled 232,800. In 2019-20, change in stock of properties reached 243,720, an increase of 4.7% per cent since 2018-19.

Estimating total housing supply (net additional dwellings)

Figure 7 shows the other measures of housing supply directly compared to net additions.



Planning applications

MHCLG produces planning applications statistics measuring the number of applications submitted and granted.

Residential units

The figures collected by the department are the numbers of decisions on planning applications

submitted to local planning authorities, rather than the number of units included in each application, such as the number of homes in the case of housing developments. The department supplements this information by obtaining statistics on housing permissions from a contractor⁴. The latest provisional figures show that permission for 356,300 homes was given in the year to 31 June 2020, down 11 per cent from the 398,800 homes granted permission in the year to 31 June 2019.

On an ongoing basis, figures are revised to ensure that any duplicates are removed, and also to include any projects that local planning authorities may not have processed: they are therefore subject to change, and the latest quarter's provisional figures tend to be revised upwards. These figures are provided here to give contextual information to users and have not been designated as National Statistics. Further details are provided in the Planning statistics release:

<https://www.gov.uk/government/collections/planning-applications-statistics>

Table 2: Number of housing units granted planning permission and building control reported completions, England, annual totals to June 2020

| | | | Units granted | |
|------|---------|----------|---------------|------------------------------|
| | | | Number | % change on previous year |
| 2008 | Jul-Jun | | 251,000 | 0% |
| 2009 | Jul-Jun | | 160,100 | -36% |
| 2010 | Jul-Jun | | 187,000 | 17% |
| 2011 | Jul-Jun | | 171,800 | -8% |
| 2012 | Jul-Jun | | 192,800 | 12% |
| 2013 | Jul-Jun | | 217,500 | 13% |
| 2014 | Jul-Jun | | 243,300 | 12% |
| 2015 | Jul-Jun | | 255,500 | 5% |
| 2016 | Jul-Jun | | 279,000 | 9% |
| 2017 | Jul-Jun | | 332,200 | 19% |
| 2018 | Jul-Jun | | 378,600 | 14% |
| 2019 | Jul-Jun | <i>R</i> | 398,800 | 5% |
| 2020 | Jul-Jun | <i>P</i> | 356,300 | -11% |

These figures show a similar trend to what we see with building control reported starts. From 2009 to 2018 the number of units granted increased before slowing and dropping slightly over the last year to June 2020.

Accompanying tables and open data

Symbols used

The following conventions have been used in the tables:

⁴ Glenigan routinely collects data on planning applications submitted to all English local planning authorities and records the information by maintaining a 'planning application' for every project. The data have been updated over time as subsequent applications are submitted and decisions made, with all new applications being matched against the existing database at entry stage. This has involved an automated process supplemented by manual checking to identify any further matching projects.

- .. Not available;
- Fewer than 5 dwellings;
- ^P Figure provisional and subject to revision;
- ^R Revised from previous release.

Totals may not equal the sum of component parts due to rounding to the nearest 10.

Tables

Relevant accompanying data can be found in the house building live tables which are updated at the same time as this release is published. The available live tables are:

<http://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building>

All statistical releases on house building can be accessed on the Ministry of Housing, Communities and Local Government website at

<http://www.gov.uk/government/organisations/ministry-of-housing-communities-and-local-government/series/house-building-statistics>.

Open data

The EPC statistics are available in fully open and linkable data formats at:

<https://epc.opendatacommunities.org/domestic/search>

Technical Notes

Please see the accompanying technical notes document for further details.

This can be found at <https://www.gov.uk/government/collections/house-building-statistics>.

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