



Department for
Communities and
Local Government

House Building: December Quarter 2014, England



Housing *Statistical Release*

19 February 2015

- Seasonally adjusted house building starts in England are estimated at 29,800 in the December quarter 2014, a 10 per cent decrease compared to the previous quarter. The seasonally adjusted level of starts in the December quarter 2014 decreased by 9 per cent on the same quarter a year earlier.
- Seasonally adjusted completions are estimated at 30,760 in the December quarter 2014, 1 per cent higher than the previous quarter. The seasonally adjusted level of completions in the December quarter 2014 increased by 8 per cent on the same quarter a year earlier.
- Private enterprise housing starts (seasonally adjusted) were 6 per cent lower in the December quarter 2014 than the previous quarter, whilst starts by housing associations were 26 per cent lower.
- Seasonally adjusted private enterprise completions increased by 3 per cent and housing association completions decreased by 7 per cent from the previous quarter.
- Seasonally adjusted starts are now 74 per cent above the trough in the March quarter 2009 but 39 per cent below the March quarter 2007 peak. Completions are 36 per cent below their March quarter 2007 peak.
- Annual housing starts totalled 137,010 in the 12 months to December 2014, up by 10 per cent compared with the year before. Annual housing completions in England totalled 118,760 in the 12 months to December 2014, an increase of 8 per cent compared with the previous 12 months.

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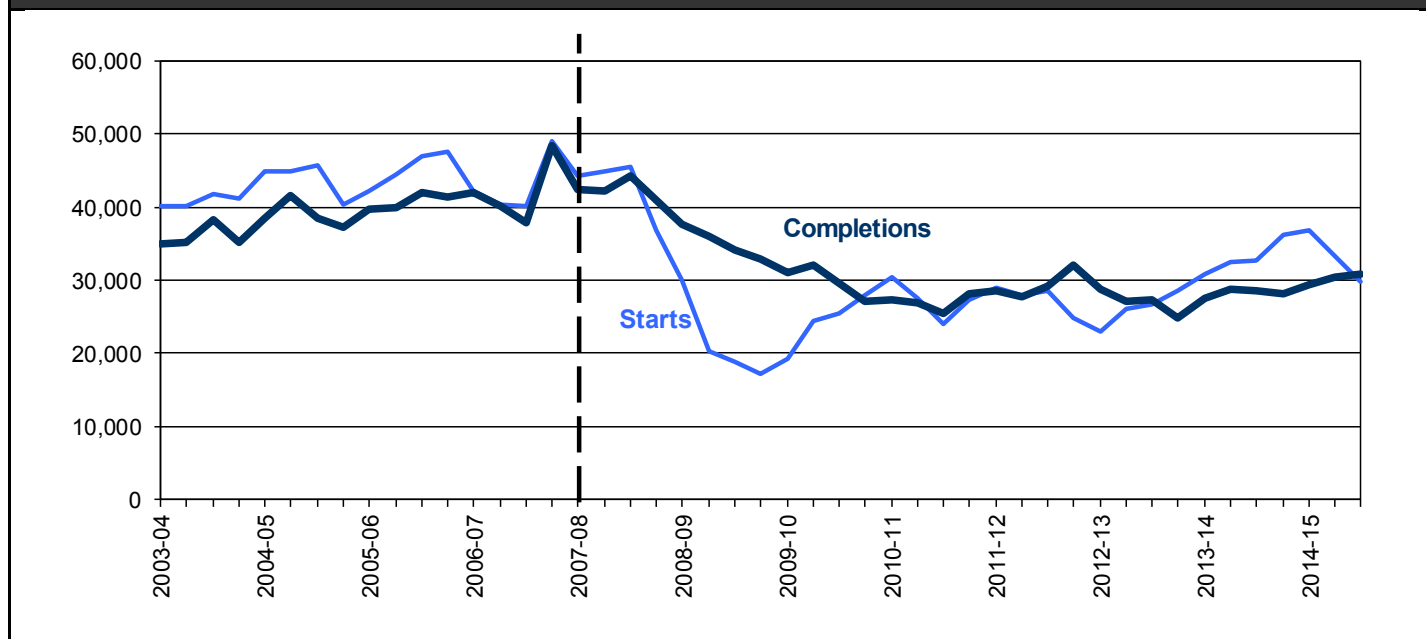
Date of next publication:

21 May 2015

Quarterly Figures

Quarterly figures for house building starts and completions are given on a seasonally adjusted basis. Seasonally adjusted figures should be used for quarterly comparisons.

Figure 1: Seasonally adjusted trends in quarterly housing starts and completions, England



Starts experienced a period of sustained growth from 2001 until 2005. From 2005 starts were broadly steady, averaging around 44,000 units each quarter until late 2007. Completions increased gradually from 2001 reaching a similar level to starts by 2007.

Starts were strongly affected by the economic downturn and from the start of 2008 there was a period of rapid decline to a trough in the March quarter of 2009. Completions fell more slowly than starts but over a longer period. From 2009 starts began to recover and during the next two years both series converged and levelled out. Despite fluctuations starts have shown growth over the last two years, while completions have remained at a broadly constant level for the past three years.

Starts – December quarter 2014

Seasonally adjusted housing starts in England are estimated at 29,800 in the December quarter 2014, a 10 per cent decrease compared to 33,250 starts in the September quarter 2014. This decrease follows the 10 per cent decrease in the September quarter 2014, 1 per cent increase in the June quarter 2014, and 11 per cent increase in the March quarter 2014 and leaves starts 9 per cent below their level in the same quarter a year ago. Starts are still 39 per cent below their March quarter 2007 peak, but are now 74 per cent above the trough in the March quarter of 2009. Seasonally adjusted starts decreased in both the private enterprise and housing association tenure. In the private enterprise tenure starts decreased by 6 per cent from the previous quarter. Housing association starts decreased 26 per cent from the previous quarter. Starts by local authorities decreased but this sector is small and can be quite volatile.

Completions – December quarter 2014

Seasonally adjusted completions for the December quarter 2014 were 30,760, around 1 per cent higher than the 30,490 in the previous quarter, and leaves completions 8 per cent above their level in the same quarter a year ago. Completions are now 36 per cent below their peak in the March quarter 2007. Seasonally adjusted completions increased in the private enterprise tenure and decreased in the housing association tenure. In the private sector completions increased by 3 per cent from the September quarter 2014. Completions by housing associations decreased by 7 per cent from the previous quarter.

Table 1a: Quarterly housing starts by tenure¹, England, seasonally adjusted^{2,3}

			Private Enterprise		Housing Associations		Local Authority	All Tenures	
			Starts	% change on previous quarter	Starts	% change on previous quarter	Starts	Starts	% change on previous quarter
2011-12	Apr-June		22,110	6%	6,290	3%	590	29,000	6%
	July-Sept		22,020	0%	5,550	-12%	330	27,900	-4%
	Oct-Dec		22,600	3%	5,490	-1%	380	28,470	2%
	Jan-Mar		20,240	-10%	4,550	-17%	150	24,950	-12%
2012-13	Apr-June		18,540	-8%	4,190	-8%	240	22,970	-8%
	July-Sept		20,420	10%	5,210	24%	470	26,100	14%
	Oct-Dec		20,920	2%	5,180	0%	650	26,750	3%
	Jan-Mar		22,750	9%	5,620	8%	260	28,630	7%
2013-14	Apr-June		24,170	6%	6,180	10%	420	30,770	7%
	July-Sept		26,090	8%	6,310	2%	200	32,600	6%
	Oct-Dec		25,700	-1%	6,750	7%	200	32,650	0%
	Jan-Mar		29,430	14%	5,500	-19%	1370	36,300	11%
2014-15	Apr-June	R	29,880	2%	6,640	21%	260	36,770	1%
	July-Sept	R	26,890	-10%	5,760	-13%	600	33,250	-10%
	Oct-Dec	P	25,170	-6%	4,280	-26%	350	29,800	-10%

Table 1b: Quarterly housing completions by tenure¹, England, seasonally adjusted^{2,3}

			Private Enterprise		Housing Associations		Local Authority	All Tenures	
			Completions	% change on previous quarter	Completions	% change on previous quarter	Completions	Completions	% change on previous quarter
2011-12	Apr-June		21,740	3%	6,270	-4%	660	28,660	2%
	July-Sept		21,120	-3%	6,150	-2%	410	27,680	-3%
	Oct-Dec		21,640	2%	6,780	10%	700	29,120	5%
	Jan-Mar		24,180	12%	7,740	14%	200	32,120	10%
2012-13	Apr-June		21,720	-10%	6,600	-15%	380	28,690	-11%
	July-Sept		21,120	-3%	5,460	-17%	600	27,180	-5%
	Oct-Dec		21,810	3%	5,250	-4%	230	27,290	0%
	Jan-Mar		19,720	-10%	4,950	-6%	150	24,830	-9%
2013-14	Apr-June		22,280	13%	4,980	1%	220	27,490	11%
	July-Sept		22,150	-1%	6,370	28%	220	28,740	5%
	Oct-Dec		22,750	3%	5,500	-14%	250	28,510	-1%
	Jan-Mar		22,710	0%	5,170	-6%	220	28,090	-1%
2014-15	Apr-June	R	23,230	2%	5,970	15%	290	29,490	5%
	July-Sept	R	23,410	1%	6,720	13%	350	30,490	3%
	Oct-Dec	P	24,220	3%	6,230	-7%	320	30,760	1%

1. Tenure may reflect the tenure of the developer building the house rather than the intended final tenure, see page

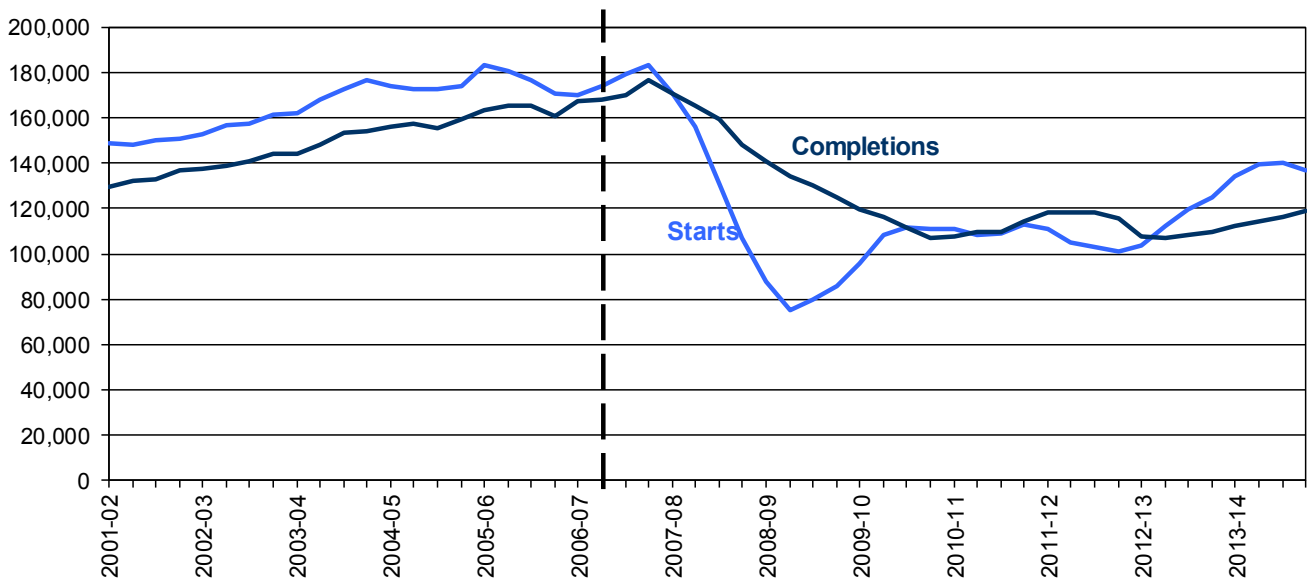
15 for further explanation.

2. Because the number of local authority housing starts and completions is very small, quarterly comparisons can be very volatile. Accordingly, percentage changes are not shown for this tenure.
3. Seasonally adjusted data have not been constrained to annual totals. Non-seasonally adjusted data are presented in the tables accompanying this release.

Annual figures

Annual figures are not seasonally adjusted and give the actual figures for house building over 12 month periods. These data can be used to make year on year comparisons. For quarter on quarter comparisons the quarterly seasonally adjusted series (above) should be used.

Figure 2: Trends in starts and completions, England, 12 month rolling totals



Annual housing starts increased from 140,000 in the 12 months ending March 2001 to a peak of 183,600 in the year ending December 2007. From 2006 the number of starts remained fairly stable until the beginning of 2008 but fell sharply during the downturn to a low of 75,000 in the year ending June 2009. Starts recovered somewhat during 2009 and 2010, remaining broadly stable through 2010 and 2011 at around 110,000 starts per year. Starts fell in 2012, but have since recovered with 137,010 starts in the 12 months ending December 2014.

Annual completions increased from 130,000 in the 12 months ending December 2001, reaching a peak of 177,000 in the year ending December 2007. Completions fell through 2008, 2009 and 2010 to give 106,720 completions in the year ending December 2010. Since 2010 completions have remained broadly stable, with 118,760 completions in the 12 months to December 2014.

Starts – year ending December 2014

137,010 homes were started in the 12 months to December 2014, a 10 per cent increase from the 12 months to December 2013. This is 25 per cent below the peak in the year to December 2007, but up 82 per cent compared with the trough in the year to June 2009.

Private enterprise starts were up 13 per cent compared with the previous year. Housing association starts decreased 10 per cent compared with a year before.

Completions – year ending December 2014 118,760 homes were completed in the 12 months to December 2014. This is 8 per cent higher than the previous year. The current level of completions is 33 per cent below the peak level of 12 months ending December 2007. Private enterprise housing completions were 8 per cent higher than in the year before whilst completions by housing associations rose by 11 per cent over the same period.

Table 2a: Annual total housing starts by tenure¹, England, not seasonally adjusted^{2,3}

			Private Enterprise		Housing Associations		Local Authority	All Tenures	
			Starts in previous 12 months	% change on previous year	Starts in previous 12 months	% change on previous year	Starts in previous 12 months	Starts in previous 12 months	% change on previous year
2011-12	Apr-June		83,170	0%	23,550	-4%	1,650	108,370	0%
	July-Sept		84,440	-1%	22,840	-10%	1,700	108,960	-3%
	Oct-Dec		87,790	3%	23,800	-2%	1,700	113,280	2%
	Jan-Mar		87,300	3%	22,100	-11%	1,450	110,840	0%
2012-13	Apr-June		83,730	1%	19,890	-16%	1,100	104,700	-3%
	July-Sept		82,300	-3%	19,600	-14%	1,230	103,130	-5%
	Oct-Dec		80,250	-9%	19,260	-19%	1,510	101,020	-11%
	Jan-Mar		81,980	-6%	19,930	-10%	1,610	103,520	-7%
2013-14	Apr-June		88,530	7%	22,290	12%	1,800	112,610	8%
	July-Sept		94,640	15%	23,450	20%	1,530	119,630	16%
	Oct-Dec		98,700	23%	24,910	29%	1,070	124,680	23%
	Jan-Mar		106,750	30%	25,070	26%	2,190	134,000	29%
2014-15	Apr-June	R	111,850	26%	25,430	14%	2,030	139,300	24%
	July-Sept	R	112,700	19%	24,860	6%	2,430	139,990	17%
	Oct-Dec	P	111,920	13%	22,510	-10%	2,580	137,010	10%

Table 2b: Annual total housing completions by tenure¹, England, not seasonally adjusted^{2,3}

			Private Enterprise		Housing Associations		Local Authority	All Tenures	
			Completions in previous 12 months	% change on previous year	Completions in previous 12 months	% change on previous year	Completions in previous 12 months	Completions in previous 12 months	% change on previous year
2011-12	Apr-June		83,900	-7%	23,920	-8%	1,640	109,450	-6%
	July-Sept		83,340	-5%	24,540	6%	1,970	109,820	-1%
	Oct-Dec		85,870	3%	25,940	15%	2,230	114,020	7%
	Jan-Mar		89,120	7%	27,460	17%	1,960	118,510	10%
2012-13	Apr-June		89,160	6%	27,760	16%	1,680	118,580	8%
	July-Sept		89,180	7%	27,290	11%	1,880	118,350	8%
	Oct-Dec		88,740	3%	25,440	-2%	1,410	115,590	1%
	Jan-Mar		84,550	-5%	22,060	-20%	1,360	107,980	-9%
2013-14	Apr-June		85,170	-4%	20,580	-26%	1,210	106,960	-10%
	July-Sept		86,130	-3%	21,330	-22%	820	108,290	-9%
	Oct-Dec		87,040	-2%	21,610	-15%	840	109,490	-5%
	Jan-Mar		89,690	6%	21,810	-1%	910	112,400	4%
2014-15	Apr-June	R	90,690	6%	22,610	10%	980	114,270	7%
	July-Sept	R	91,790	7%	23,140	8%	1,110	116,040	7%
	Oct-Dec	P	93,660	8%	23,920	11%	1,180	118,760	8%

1. Tenure may reflect the tenure of the developer building the house rather than the intended final tenure, see page 15 for further explanation.
2. Because the number of local authority housing starts and completions is very small, quarterly comparisons can be very volatile. Accordingly, percentage changes are not shown for this tenure.
3. Seasonally adjusted data have not been constrained to annual totals. Non-seasonally adjusted data are presented

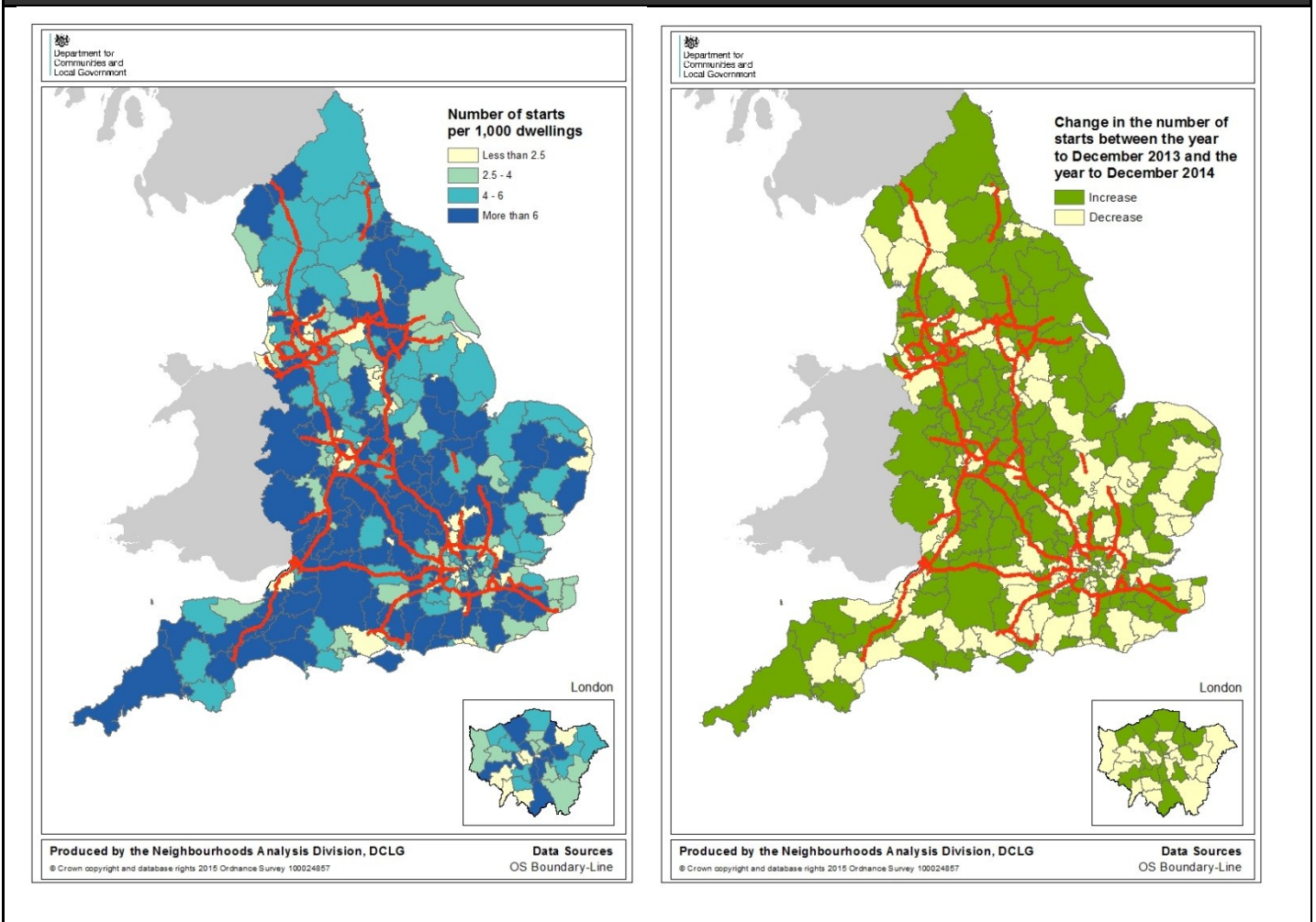
in the tables accompanying this release.

Sub-national trends

Comparisons between national, district and Local Enterprise Partnership figures in this section are based on the non-seasonally adjusted series. The discussion here is based on annual total values for house building in local authority districts. Using annual totals avoids issues of seasonality and also difficulties associated with quarterly variations in the small levels of house building in some local authority districts. For more information see "District level data" under "Data quality" below.

Geographic distribution of house building starts

Figure 3: Starts per 1000 dwellings (left) and changes in numbers of starts for each local authority district in the 12 months to December 2014¹



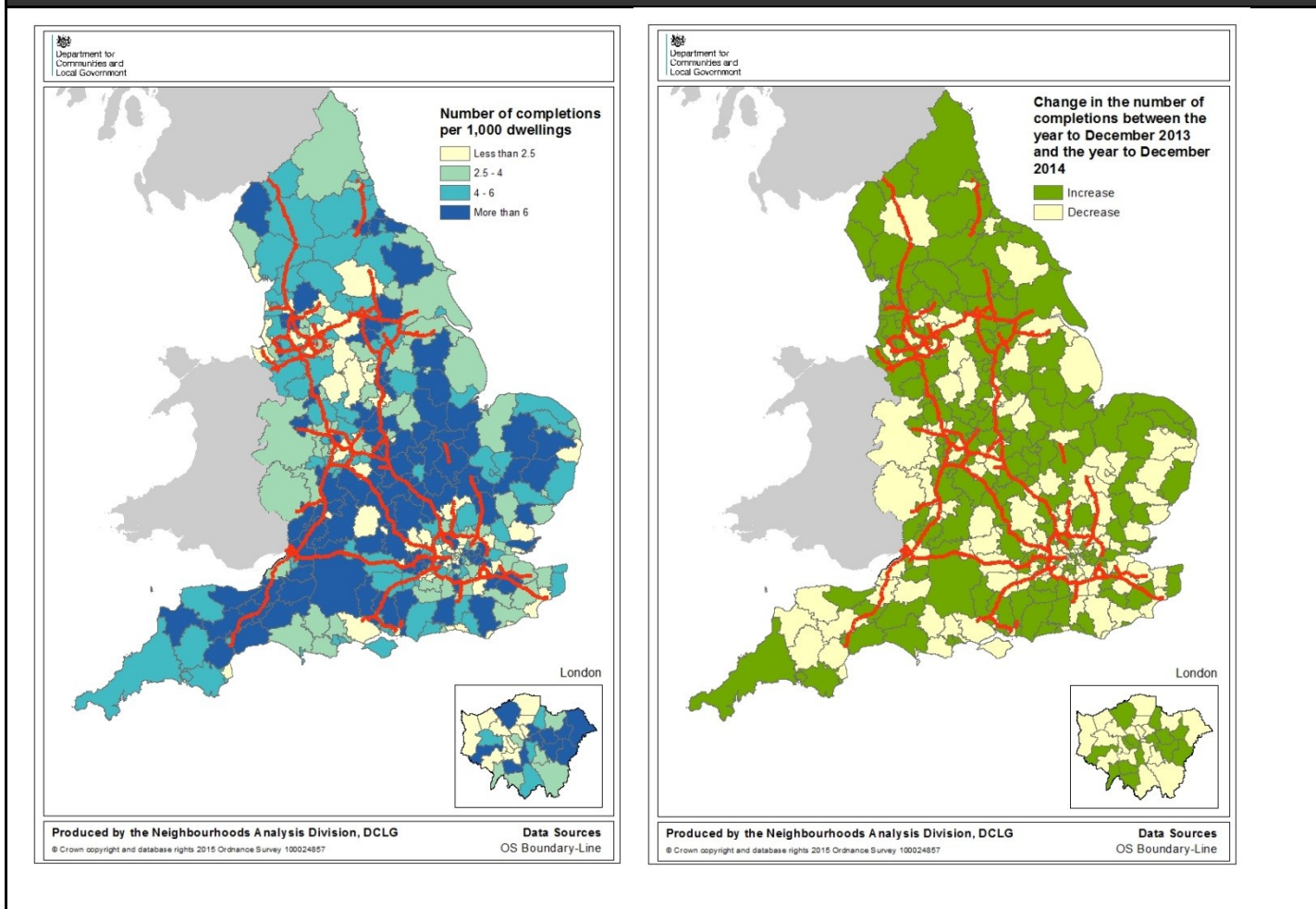
The maps in figure 3 show start rates (left) and changes in start rates (right) in each of the 326 local authority districts (except the Isles of Scilly) over the year to December 2014. To show house building in proportion to the size of each district we divide the number of starts or completions in the year by the existing dwelling stock. The result is multiplied by 1000 to give a figure that is easier to interpret. For example a local authority district with 100,000 dwellings where, over the previous year, 150 new dwellings are started. This would give a value of 1.5 new dwellings per thousand of existing stock and would therefore be shaded in light yellow in the coloured map for starts.

There are particularly strong areas of new build starts from the M1 corridor and west toward South Gloucestershire and Cornwall, as well as along the south coast. Areas north of the London green

belt in Bedfordshire, Cambridgeshire, Northamptonshire and Leicestershire have been experiencing high levels of starts.

Starts levels increased between the year to December 2013 and the year to December 2014 in 191 out of 326 authorities. The geographic spread of increases and decreases is mixed. Some of the greatest increases in starts levels were in districts in Leicestershire, Derbyshire, Lancashire, and parts of Essex. Areas with some of the largest falls in rates of house building starts include districts in Hampshire and Surrey.

Figure 4: Completions per 1000 dwellings (left) and changes in numbers of completions for each local authority district in the 12 months to December 2014²



1. The maps in figure 4 are produced on the same completions per 1000 of dwelling stock basis as the starts map in figure 3.

The highest rates of completions are found in east London and a band starting to the north of the London green belt running through Cambridgeshire, Bedfordshire, Northamptonshire, Leicestershire, with another cluster of the Local Authorities around Norwich. There are also strong levels in from Devon through Gloucestershire to Hampshire. Areas with the lowest completion rates including districts in Oxfordshire and a few boroughs in London.

Completion rates between the year to December 2013 and the year to December 2014 are increasing in 185 out of 326 authorities. The geographic spread of increases and decreases is

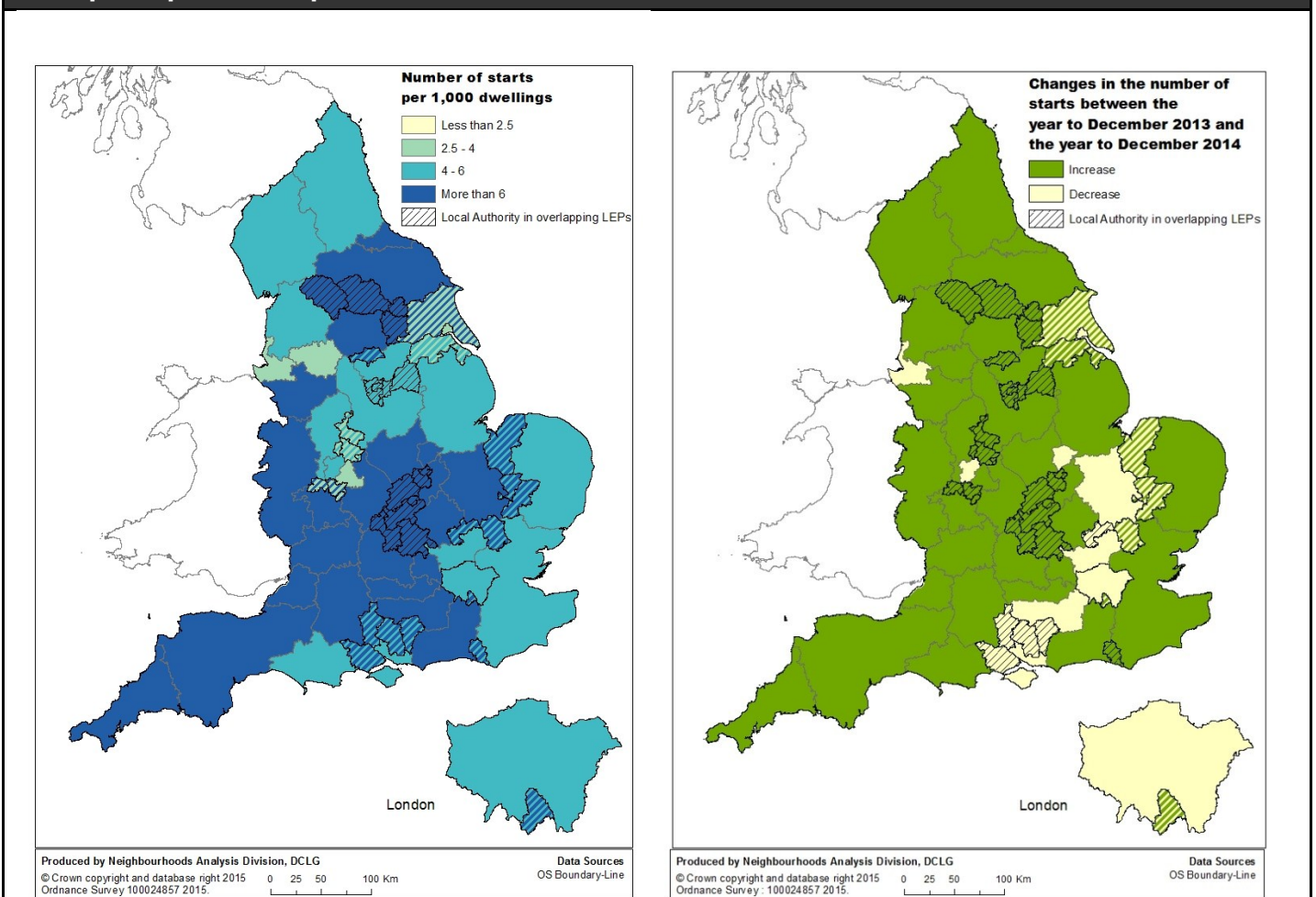
very mixed. Particular areas of increasing completions rates include areas of Kent, Yorkshire, Hampshire, London and Essex.

Local Enterprise Partnerships

This statistical release includes house building statistics presented at Local Enterprise Partnership level. Local Enterprise Partnerships are partnerships between local authorities and businesses, initially formed in 2011. A list of the local authority districts covered by Local Enterprise Partnerships can be found here:

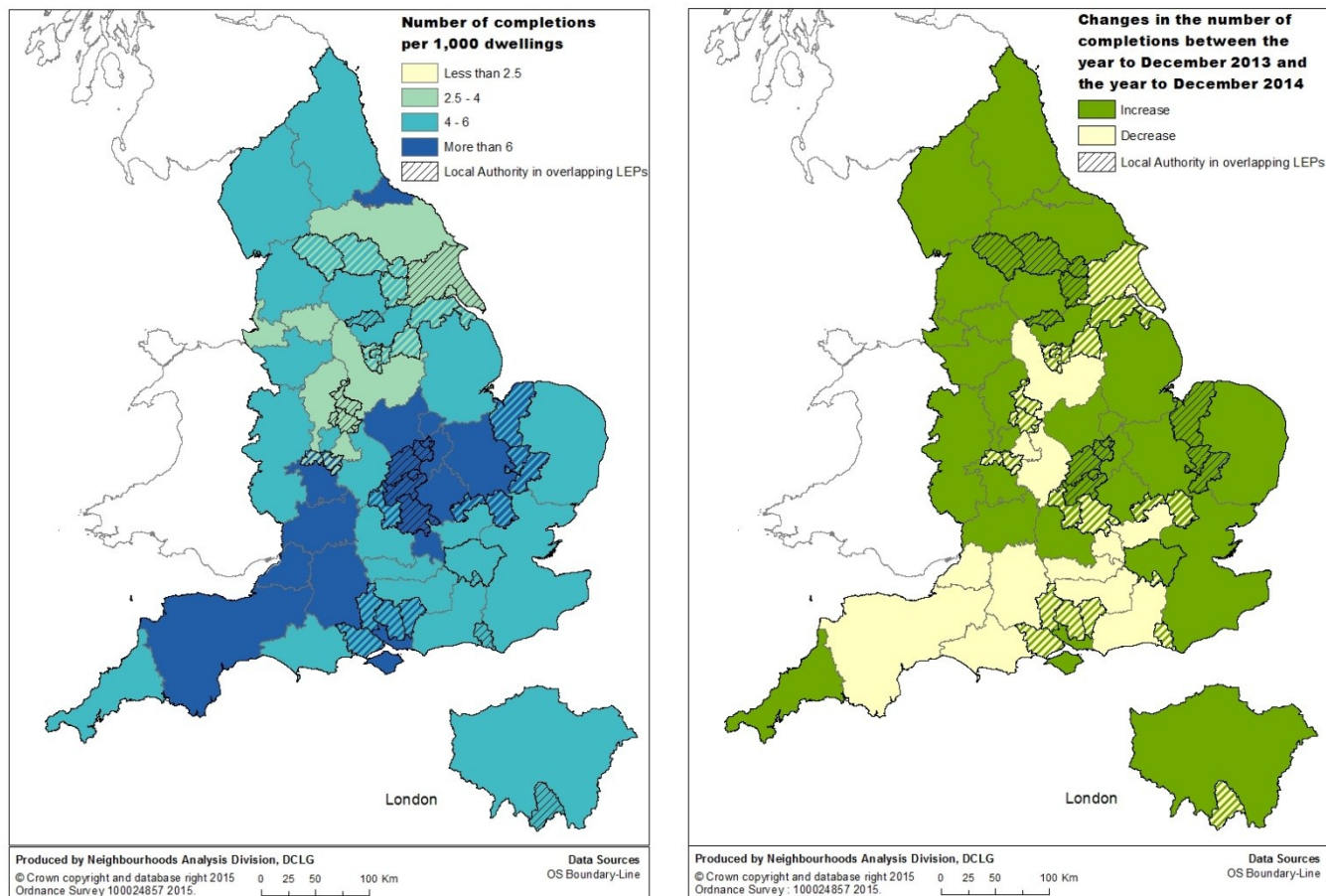
<http://www.gov.uk/government/publications/local-enterprise-partnerships-local-authority-mapping>

Figure 5: Starts per 1000 dwellings (left) and changes in numbers of starts for each local enterprise partnership in the 12 months to December 2014³



2. The maps in figure 5 are produced on the same starts per 1000 of dwelling stock basis as the starts map in figure 3.

Figure 6: Completions per 1000 dwellings (left) and changes in numbers of completions for each local enterprise partnership in the 12 months to December 2014⁴



3. The maps in figure 6 are produced on the same completions per 1000 of dwelling stock basis as the starts map in figure 3.

More information on Local Enterprise Partnerships can be found here:

<http://www.gov.uk/government/policies/supporting-economic-growth-through-local-enterprise-partnerships-and-enterprise-zones>

<http://www.lepnetwork.org.uk/>

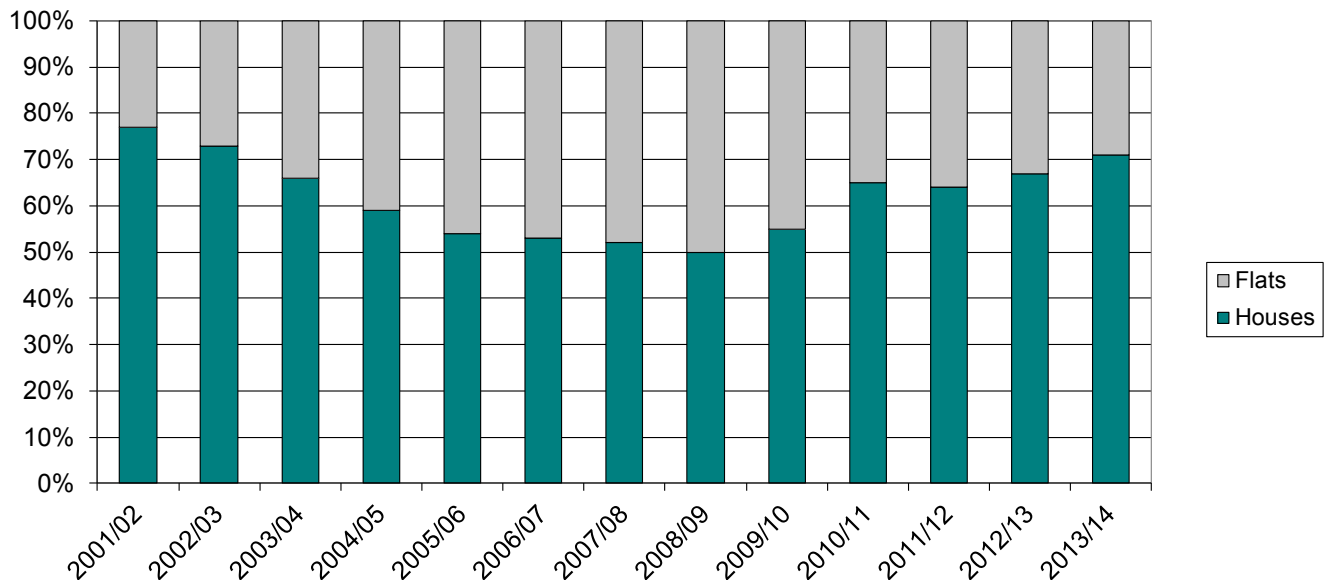
Types of homes being built

Approximately half of the data used to produce the house building statistics are supplied by the National House-Building Council (NHBC). These data contain additional detail on the size and type of new homes being completed and can be used to provide annual estimates of the proportion of new builds that are houses as opposed to flats.

Figure 7 shows the split of completions between houses and flats. The proportion for flats increased from just under a quarter of all new build homes in 2001-02 to almost half by 2005-06,

remaining at that level through to 2008-09. The proportion for flats then fell back to around a third by 2010/11 and since has remained stable.

Figure 7: Proportion of new build completions that are houses and flats



Accompanying tables

Separate accompanying tables are no longer published alongside this release. Instead all of the relevant 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>

In addition, legacy regional tables are also available at the link above. These tables have not been updated.

For more information please see the Written Ministerial Statement as noted below:

<http://www.gov.uk/government/speeches/statistics-for-local-enterprise-partnerships-and-upper-tier-local-authorities>

All statistical releases on house building can be accessed on the Department for Communities and Local Government website at

<http://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/house-building-statistics>.

Definitions

Dwelling

A home or dwelling in these statistics is defined in line with the Census definition, which defines a dwelling as a self-contained unit of accommodation. Self-containment is where all the rooms (including kitchen, bathroom and toilet) in a household's accommodation are behind a single door which only that household can use. Non-self contained household spaces at the same address should be counted together as a single dwelling. Therefore a dwelling can consist of one self-contained household space or two or more non-self-contained household spaces at the same address.

Ancillary dwellings (eg 'granny annexes') are included provided they are self-contained, pay separate council tax from the main residence, do not share access with the main residence (eg a shared hallway) and there are no conditional restrictions on occupancy.

Communal establishments, ie establishments providing managed residential accommodation, are not counted in overall housing supply. These cover university and college student, hospital staff accommodation, hostels/homes, hotels/holiday complexes, defence establishments (not married quarters) and prisons. However, purpose-built (separate) homes (eg self-contained flats clustered into units with 4 to 6 bedrooms for students) are included, with each self-contained unit counted as a dwelling.

Non permanent (or 'temporary') dwellings are included if they are the occupant's main residence and council tax is payable on them as a main residence. These include caravans, mobile homes, converted railway carriages and houseboats. Permanent Gypsy and Traveller pitches should also be counted if they are, or likely to become, the occupants' main residence.

House building start

A dwelling is counted as started on the date work begins on the laying of the foundation, including 'slabbing' for houses that require it, but not including site preparation. Thus when foundation work commences on a pair of semi-detached houses two houses are counted as started, and when work begins on a block of flats all the dwellings in that block are counted as started. The starts of houses in building schemes are usually phased over a period of weeks or even, in very large schemes, months.

House building completion

In principle, a dwelling is regarded as complete when it becomes ready for occupation or when a completion certificate is issued whether it is in fact occupied or not. In practice, the reporting of some completions may be delayed and some completions may be missed if no completion certificate was requested by the developer or owner, although this is unusual.

Tenure

For the purposes of these statistics, the term tenure refers to the nature of the organisation responsible for the development of a new housing start or completion. It does not necessarily describe the terms of occupancy for the dwelling on completion. For example, some housing associations develop homes for sale on the open market. Such homes would be reported in the Housing Association tenure of these statistics, but would ultimately most likely be owned and

occupied in the private sector.

Housing association - “Housing associations (HAs)” has been used as the generic name for all social landlords not covered by local authorities (see below). In previous editions HAs were referred to as Registered Social Landlords (RSL), and the technical term (private) Registered Provider (pRP) of social housing is also sometimes used. The more all-encompassing description of ‘housing associations’ is now seen as more helpful to users of these statistics.

Technical notes

Symbols

The following conventions have been used in the tables:

.. 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.

Data collection

This release takes information from three data sources on building control:

- ‘P2’ quarterly house building returns submitted to Department for Communities and Local Government by local authority building control departments;
- monthly information from the National House-Building Council (NHBC) on the volume of building control inspections they undertake in each local authority area , and;
- quarterly data collection from other approved inspectors (AIs).

Data on starts and completions by individual building control organisations are not published.

As set out in the Written Ministerial Statement on 18 December 2012, the Department no longer publishes statistics at a regional level. This follows the abolition of regional government by the Coalition who do not believe that regions provide a coherent or meaningful framework for assessing public policy. Instead, our published statistics present, where relevant, other sub-national geographies which are more aligned with public policy. The Written Ministerial Statement can be found here:

<http://www.gov.uk/government/speeches/statistics-for-local-enterprise-partnerships-and-upper-tier-local-authorities>

Data quality

District level data

House building data are collected at local authority district level, but it is important to treat figures at this level with care. House building is unevenly distributed both geographically and over time and patterns of housing development can produce clusters of new homes which make the figures at a low geographic level volatile and difficult to interpret.

Consider a district averaging 100 starts in a quarter: one or two major residential developments starting in that district would produce a large increase in starts for that year. Similarly, once work on the developments has begun those starts would drop out of the statistics which could at first glance be interpreted as a large fall in housing supply in that district. In the next year a new development might occur in a neighbouring district and produce similar effects. Neither of these events would in themselves be unusual but in both cases it would be unwise to infer any form of trend from the figures. A better interpretation might be to look at both districts, together with neighbouring areas.

In addition, the precise timing with which starts and completions are recorded in the statistics can vary from one housing development to the next, depending on factors such as the timing of building control inspections or differences between data providers' administrative systems. Such factors tend to cancel out over time or when figures are aggregated to higher geographic levels, but can be acute at the individual district level.

District level data are available in live table 253 which includes annual district level data back to 1998-99 and in live table 253a which includes quarterly district level data back to 2005. For more information about live tables see "Accompanying tables" section below.

Local Enterprise Partnerships

Local Enterprise Partnership level house building statistics are aggregations of district level data and are available in live tables 255 (annual) and 255a (quarterly) back to 2012.

Response rate

The P2 data received from local authorities record starts and completions inspected by local authority building control. These data also include imputation for a small number of missing returns. In the December quarter 2014 a 93 per cent local authority response rate was achieved.

Other approved inspector data are collected from independent building control companies. In the December quarter 2014 a 79 per cent response rate was achieved. Where an approved inspector company has previously provided returns but has not provided a return for the current period the data include imputed values for that company.

The NHBC data include all starts and completions inspected by NHBC building control.

Imputation

The process to impute for a missing P2 local authority return works by picking up all data recorded in completed returns for that local authority over the previous five years and comparing it to data for other similar local authorities for the same periods. It then looks at the data provided for the current period by those other local authorities and imputes a figure for the missing local authority return which matches the proportion found in the comparison of data for the previous five years.

Imputation for other approved inspectors is performed using post stratification. Stratification is on the basis of the most recent previous total of starts and completions reported. Once approved inspectors have been stratified non-response weights are calculated and these weights applied to all responding approved inspectors for the quarter. Where insufficient recent data exist to sensibly include a response or non-response in the stratification (for example where there are no recent data) or where the status of the approved inspector is unclear for that period (for instance it is not certain that they were operating in the that period or are a duplicate entry) the approved inspector is not included in the post stratification process. This may result in a small level of under coverage but ensures that only genuine non-response is weighted for and minimises the risk of overestimating the numbers of starts and completions inspected by approved inspectors.

Non-response weighting for approved inspectors is used only at an England level.

Independent approved inspectors

In the March quarter 2012 release the house building data was revised to include data from independent approved building control inspectors. This affected all quarters from the June quarter 2007.

The change to include data from approved inspectors was made in response to increased participation by private companies in the building control market. Following regulatory changes in 2005 it became easier for independent providers to operate in the private house building market for building control. The Department for Communities and Local Government began a quarterly data collection in the June quarter of 2007 to obtain data about this sector.

Results from this data collection showed that the approved inspectors' share of the building control market was at that time insufficient to merit changing the sources used for producing the house building statistics. However, the share held by the independent approved inspector market sector was increasing. In 2011 it was decided that the level of inspections by approved inspectors was sufficient to merit making the change to include the data in the statistics.

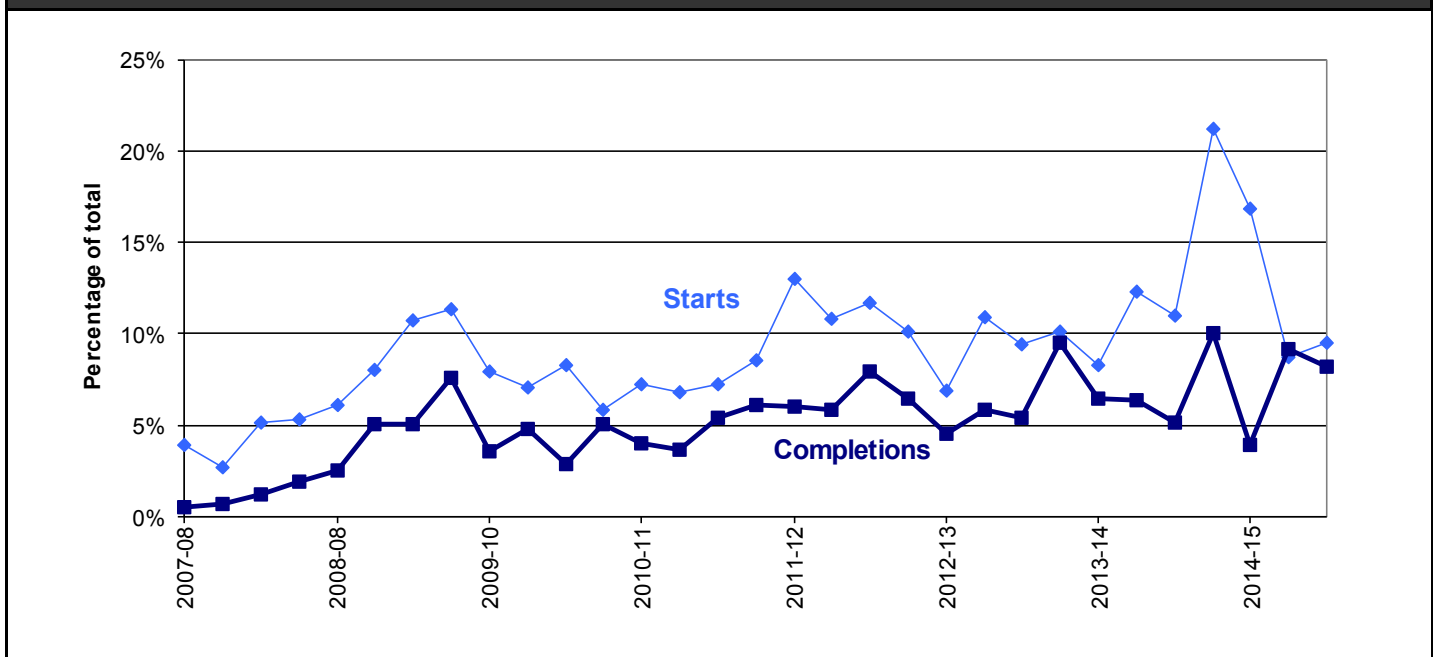
Using the data which had been collected the series was revised back to 2007. This minimised the impact and the overall effect on the trend was slight. However, there was inevitably a step change at the point of first inclusion. For completions this step change is small, with an estimated 216 completions inspected by independent approved inspectors in the quarter. The change in the starts series is more pronounced with 1,855 additional starts in the June quarter of 2007.

The inclusion of the approved inspectors was an improvement to the coverage of these statistics in response to the recent growth of this sector of the market but not a fundamental change to the

methodology. The inclusion of the approved inspector data should bring coverage back in to line with the statistics from before 2005 and the entry of approved inspectors into the building control market for private housing. In this sense the section of the series which differs from the rest is the 18-month portion from mid 2005 to April 2007 during which approved inspectors could operate but for which data are not included.

Figure 8 shows that the percentages of all starts and completions reported by approved inspectors have increased since 2007, with both showing particular increases during the early period. Approved inspector completions were less than 1 per cent of total completions in the June quarter of 2007 while starts comprised around 4 per cent of the total. It is likely that the 2007 data collection picked up very early activity for completions but that inspections relating to starts were already more advanced by the time of the collection began. Partial data from a survey of approved inspectors for 2006/07 supports this conclusion.

Figure 8: Approved inspector reported starts and completions as a proportion of total starts and completions



For more detail about the inclusion of data from independent approved inspectors, see pages 11-14 of the House Building statistical release for the March quarter of 2012, available from the following link.

<http://www.gov.uk/government/publications/house-building-in-england-january-to-march-2012>

Tenure

Figures on housing starts and completions are from records kept for building control purposes. The house building figures will reflect the tenure of the developer building the house rather than the intended final tenure. This may lead to an understatement of housing association and local authority starts and completions recorded in these tables, and a corresponding overstatement of private enterprise figures. This problem is more likely to affect starts than completions.

There are two other sources of official statistics on affordable housing supply which should be considered as an alternative by users interested specifically in the affordable sector. Please refer to the “Related statistics” section of this publication for further information.

From start to completion

A wide range of factors can influence the length of time it takes for a new home to be constructed from start to completion. This period can vary from just a few months to several years.

There are some circumstances in which starts might exceed completions. Information gathered from data providers indicates that the most common of these is where a new dwelling is started but never completed because the developer is no longer able or willing to complete the development.

Also, in principle a dwelling is regarded as completed when it becomes ready for occupation or when a completion certificate is issued, whether it is in fact occupied or not. In practice the reporting of some completions may be delayed and some completions may be missed if no completion certificate was requested by the developer or owner; this is unusual because most property owners would want to have a completion certificate for the purposes of selling the property on.

These circumstances do not disproportionately affect particular regions or types of area, although private housing development may be more likely to be affected than public.

In general the number of starts will be a strong indicator of the likely trend in completions in the near future but we have seen differences over the short and medium term. It sometimes appears that an imbalance exists in the statistics when the overall number of starts differs from the overall number of completions over a number of years. For example, over the period from 1997 – 2007 there were 1,760,000 starts but only 1,630,000 completions – a difference of 7 per cent.

However, a comparison of starts and completions over the long term shows that such differences tend to balance out over time – the years before 1997 and the years since 2007 both saw substantially more completions than starts, and over the 20 years from 1990 to 2010 there were in fact 1 per cent more completions than starts. These shorter term imbalances can be understood as a feature of the economic cycle.

Comparability between the countries of the UK

Each of the countries of the UK produces its own statistics on House Building (see “Related statistics” section below). The Department for Communities and Local Government is responsible for collecting and publishing data for England. However house building statistics for the devolved administrations of the UK, as well as for Great Britain and the UK as a whole, are included in the tables that accompany this statistical release. In this section the consistency of the data sources is discussed.

England and the devolved administrations use broadly consistent definitions for starts and

completions in collecting house building data. Until now, all four countries have collected starts and completions data split into the three tenure types of private enterprise, housing association and local authority. From the June quarter 2011 onwards, this tenure split is no longer available for Welsh starts figures.

In England and Wales some housing association starts and completions can be misreported as private enterprise starts because it is sometimes difficult for data providers to identify whether a dwelling is being built for a housing association or for a private developer (see above). This is not thought to be a problem in Northern Ireland and Scotland where data on housing association house building are collected directly from housing association administrations rather than building inspection teams. It is because of this issue that statistics for house building starts in Wales no longer include a breakdown by tenure.

While a very small proportion of the data for England are imputed for missing responses (see above), a full response is generally collected in Wales, Scotland and Northern Ireland so imputation is seldom necessary.

Currently approved inspectors data is included in the statistics for Scotland and Northern Ireland. Approved inspector data is not used in the current Welsh house building data. However an investigation is currently underway to determine the level of approved inspector activity in Wales with a view to including approved inspectors if it is found to be appropriate.

Revisions policy

This policy has been developed in accordance with the UK Statistics Authority Code of Practice for Official statistics and the Department for Communities and Local Government Revisions Policy (found at <http://www.gov.uk/government/publications/statistical-notice-dclg-revisions-policy>). There are two types of revisions that the policy covers:

Non-Scheduled Revisions

Where a substantial error has occurred as a result of the compilation, imputation or dissemination process, the statistical release, live tables and other accompanying releases will be updated with a correction notice as soon as is practical.

Scheduled Revisions

In order to maximise the response rate from local authorities and enable late information to be included, each quarterly P2 return can be updated at any time up to two years after the initial publication of the figures for that quarter. Every quarter, as well as releasing figures for the latest quarter, we revise the previous quarter to incorporate any data that came in shortly after the previous data collection period. This captures most late local authority data, but in order to incorporate the remainder a longer revision is carried out once a year, in the June quarter

statistical release. Therefore, until each quarterly return is permanently closed, figures for that quarter remain provisional. Provisional figures are labelled in the tables with a “P” and revised figures are labelled with an “R”.

The starts data provided by NHBC, which are monthly, can also be subject to some changes after their initial inclusion, and to address this, the NHBC starts data for the previous two quarters are now also revised in each release. In particular, the information on the tenure can often change when a start gets closer to completion and this tends to result in a net shift in starts from the private enterprise tenure to the housing association tenure.

In addition, where figures are seasonally adjusted, the adjustment factors for the whole series back to 2000 are recalculated annually, usually in the June quarter. This will result in small changes to seasonally adjusted figures across the whole period. These changes are not labelled with an “R”. Seasonal adjustment is implemented using the software X13-ARIMA-SEATS.

Other revisions to historic data (all data older than that currently due for scheduled revision) should only be made where there is a substantial revision, such as a change in methodology or definition. Where there are small changes that do not substantially change historic data, internal updates are maintained.

Revisions in this release

As scheduled, starts and completions data provided by local authorities, have been revised in this release back to the March quarter 2014. As a result a net change of 490 starts have been added during the period. This includes 330 starts removed from the private enterprise tenure, 650 starts added to the housing association tenure and 160 starts added to the local authority tenure during the period. The revisions have also resulted in a decrease of 1030 completions from the period. This includes 1300 completions removed from the private enterprise tenure, and 210 completions added from the housing association tenure and 50 completions added local authority tenures during the period.

Uses of the data

The house building statistical series on starts and completions are a key part of the evidence base which informs the development and evaluation of housing policy by central and local government. They are also used as evidence for other housing market analysts, forecasters and decision makers, for example at the Bank of England and in the construction and banking industries. The statistics are also used for market research by a wide range of other businesses. They are used by the media in reports on the housing market, and by academics both in the UK and abroad.

Related statistics

Net supply of housing

The annual *Net supply of housing* statistics, also known as 'net additions', show the absolute change in dwelling stock between 1 April and 31 March the following year. They comprise the number of new build permanent dwellings; plus the net gain from dwelling conversions; plus the net gain of non dwellings brought into residential use; plus net additions from other gains and losses to the dwelling stock (such as mobile and temporary dwellings); less any demolitions.

The net supply of housing statistical series is separate from and complementary to the Department for Communities and Local Government's quarterly series on new house building. The net supply of housing provide a more comprehensive but less timely measure of total housing supply in England. Completions figures from the quarterly house building series are not used in the net supply of housing statistics. Instead a separate set of data on the new build completions component of housing supply is collected as part of the overall annual net supply of housing data collection. This eliminates timing differences from the net additions series and provides a picture of the components of net change which can be reconciled for a given year.

The house building statistical series takes its data from the same source throughout England, combining data from building control officers at local authorities, the National House-Building Council (NHBC) and other independent building control inspectors. Data for the net supply of housing all come from local authorities, who in turn use whichever local data source they believe is most appropriate.

The house building series is published within eight weeks after the end of each quarter, providing a timely measure of house building activity. The data collection period for net supply of housing is relatively long, being annual and closing some five months after the end of the financial year. The longer data collection period makes it possible to compile a more complete picture of housing supply over the period; including conversions, change of use and demolitions.

The new build component of the net supply of housing statistics is generally slightly larger than the corresponding annual total from house building data, despite the fact that they are measuring the same thing. Over the year to March 2014 the new build component of the net supply of housing statistics was 16 per cent greater than the corresponding figure from the quarterly house building statistics. This is probably due largely to the much longer data collection period for the net supply of housing. However, other possible factors include the fact that net supply of housing will pick up the small minority of dwellings which are finished and in which people are living but where a completion certificate has not been issued. In such cases a completion may not have been recorded in the building control data used for the quarterly house building statistics.

Users who need an early indication of house building activity or who intend to use housing supply statistics as an economic indicator are advised to use the quarterly house building starts and completions series. Those who require a long-running, consistent time series on housing supply

should also use house building, in either a quarterly or annual basis. Users wanting a more complete picture of the overall supply of housing may find the net supply of housing statistical series more appropriate.

The net supply of housing statistics can be found at the link below.

<http://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/net-supply-of-housing> .

Council tax valuation lists

The Valuation Office Agency (VOA) compiles and maintains lists of all domestic properties in England and Wales to support the collection of council tax, and these lists are constantly updated to reflect the creation of new dwellings and losses of dwellings.

The VOA's definition of a dwelling differs somewhat from that used by the census. The Department for Communities and Local Government's *House Building statistics*, *Net supply of housing* and *Dwelling stock estimates* statistics all use the census definition (see 'Definitions' section below). This means that a number of dwelling units may be included in one set of statistics but not the other. In general the VOA's definition is broader and includes communal establishments such as student halls of residence or care homes where the definition used by the Department for Communities and Local Government does not.

The Valuations Office Agency now publishes statistics on these lists which can be found at the following link.

<http://www.voa.gov.uk/corporate/Publications/statistics.html>

New Homes Bonus

The New Homes Bonus allocates grants to local authorities according to the number of new homes delivered and empty homes brought back into use in their area. The growth in their council taxbase is used as a proxy measure for the number of new homes delivered because this provides information about council tax bands which are required as part of the calculation of New Homes Bonus allocations. The number of long-term empty homes in each area is also collected as part of the council tax system.

As the New Homes Bonus is based on council tax data, which is itself derived from the Valuation Office Agency's valuation list, it is collected using the same, broader definition of a dwelling as used by the Valuation Office Agency (see 'Council tax valuation lists' above).

The council taxbase data return is made by local authorities to the Department for Communities and Local Government in November giving details of their council tax base at September.

Therefore the period over which the change in taxbase is measured for the New Homes Bonus (the year to September) is different from the period over which the net supply of

housing is measured (the year to April).

The combination of timing and definitional differences means that it is not possible to reconcile the New Homes Bonus numbers fully to the National Statistics on housing supply (House Building and Net Supply of Housing). The different sources will inevitably give different figures, though trends over time are likely to be similar. In addition, the New Homes Bonus headline allocations figures also include a component for empty homes brought back in to use.

Users of housing supply statistics should note that the New Homes Bonus figures are a by-product of the data used to administer the council tax system and are not primarily designed as a measure of housing supply. The National Statistics on *House Building* and on *Net supply of housing* are designed to give a comprehensive measure of housing supply which can be used to make consistent comparisons over time. They have been assessed and endorsed by the UK Statistics Authority (see 'National Statistics' section below).

The final New Homes Bonus allocations for 2013/14 were published on 1 February 2013. Details can be found at the following link.

<http://www.gov.uk/government/policies/increasing-the-number-of-available-homes/supporting-pages/new-homes-bonus>

Dwelling stock estimates

Department for Communities and Local Government also publish statistics showing the total dwelling stock in England each year. These estimates are based on the latest census count plus the annual *Net supply of housing* statistics described above. They can be found at the following link.

<http://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/dwelling-stock-including-vacants>

Affordable housing

New affordable homes are defined as additional housing units (or bed spaces) provided to specified eligible households whose needs are not met by the market and can be categorised into social rent, intermediate rent and low cost home ownership. Total additional affordable supply includes both new build supply and acquisitions of existing private sector homes.

The house building statistics in this publication are categorised by tenure into private enterprise, housing association (HA) and local authority (LA). However, this tenure split has its limitations (see "Data quality" section) and is not the best source of information on new build specifically in the affordable housing sector.

A more detailed and complete source is Department for Communities and Local Government's *Affordable housing supply* statistics, which can be found at the following link, along with detail on

definitions and sources.

<http://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/affordable-housing-supply>.

Although the HA and LA tenures of the house building statistics attempt to measure the entire new build component of affordable housing supply, including social rent, shared ownership and other affordable housing products, in practice much new build shared ownership housing and some new build social rent housing may be mis-recorded within the ‘private enterprise’ tenure of the house building statistics. This means that the house building statistics underestimate the total new build supply of affordable housing in the LA and HA tenure categories. Users requiring the best annual estimate for new build affordable housing should refer to the “New build and acquisitions” section of the affordable housing supply statistical release and live table 1009, both accessible from the link above. Despite this, the tenure split reported in the house building statistics continues to have practical uses as they provide more frequent and timely estimates of starts as well as completions, and are available back to 1946.

The Homes and Communities Agency’s National Housing Statistics can be found at the following link – <http://www.homesandcommunities.co.uk/statistics> - and show delivery through the HCA funding programmes for housing.

There are three main sources of official figures on affordable housing supply which are summarised in the table below:

Statistical source	Included	Not included	Frequency	Timeseries
House Building statistics: Housing Association and Local Authority tenures combined	New build housing for social rent.	Most affordable ownership supply and acquisitions from existing private housing.	Quarterly	From 1946
Affordable Housing Supply statistics	All supply (new build and acquisitions) of affordable housing	May be some small gaps in coverage (see release)	Annual	From 1991/92
Homes and Communities Agency National Housing Statistics	All supply (new build and acquisitions) of affordable housing delivered through HCA grant funding programmes	Some housing delivered without HCA grant funding.	Six monthly	From 2009/10

User engagement

Users are encouraged to provide feedback on how these statistics are used and how well they meet user needs. Comments on any issues relating to this statistical release are welcomed and encouraged. Responses should be addressed to the "Public enquiries" contact given in the "Enquiries" section below.

The Department's engagement strategy to meet the needs of statistics users is published here: <http://www.gov.uk/government/publications/engagement-strategy-to-meet-the-needs-of-statistics-users>

Notes

1. The starts and completions reported in this publication are for new house building in England and exclude new dwellings created through conversions and the change of use of existing buildings.
2. Figures in the accompanying tables are presented rounded to the nearest 10 dwellings.
3. The charts give seasonally adjusted quarterly house building trends and give annual trends by showing a rolling 12-month total. The private enterprise and housing association England series are seasonally adjusted.
4. Accompanying Tables 1a and 1b gives seasonally adjusted quarterly England figures. All figures for other UK countries are shown on an unadjusted basis only.
5. The tables and charts accompanying this release are shown above in the 'Accompanying tables' section and are provided in Microsoft Excel format.
6. Details of officials and ministers who receive pre-release access to the Department for Communities and Local Government quarterly House Building release up to 24 hours before release can be found at: <http://www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics>
7. The **next quarterly release** will be published on Thursday 21 May 2015, and will cover house building up to the March quarter 2015.

Devolved administration statistics

House building statistics for the devolved administrations of the UK are included alongside the England statistics in the tables that accompany this statistical release. These data are published separately by the devolved administrations, and although figures are correct at the time of this publication they may be superseded before the next England house building release. Latest data and details on data sources and methods can be found at the following links:

Scotland (house building statistics)

<http://www.scotland.gov.uk/Topics/Statistics/Browse/Housing-Regeneration/HSfS/NewBuild>

Wales (house building statistics)

<http://wales.gov.uk/statistics-and-research/?topic=Housing+and+community&lang=en>

Northern Ireland (housing statistics)

http://www.dsdni.gov.uk/index/stats_and_research/housing_publications.htm

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Information on Official Statistics is available via the UK Statistics Authority website:

www.statistics.gov.uk/hub/browse-by-theme/index.html

Information about statistics at DCLG is available via the Department's website:

www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics

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