

# House building; new build dwellings, England: December Quarter 2018

The Ministry of Housing, Communities and Local Government also publishes an annual release entitled 'Housing supply: net additional dwellings', which is the primary and most comprehensive measure of housing supply. The new build dwellings release should be regarded as a leading indicator of overall housing supply. This release includes, also, information from Energy Performance Certificates, another leading indicator of total housing supply.

- On a quarterly basis, new build dwelling <u>starts</u> in England were estimated at 40,580 (seasonally adjusted) in the latest quarter, an 8 per cent decrease compared to the previous 3 months and a 2 per cent decrease on a year earlier. <u>Completions</u> were estimated at 42,970 (seasonally adjusted), a 2 per cent increase from the previous quarter and 1 per cent higher than a year ago.
- Annual new build dwelling <u>starts</u> totalled 165,160 in the year to December 2018, no change (0%) compared with the year to December 2017. During the same period, <u>completions</u> totalled 165,090 an increase of 1 per cent compared with last year.
- Private enterprise new build dwelling starts (seasonally adjusted) in the December quarter 2018 are down by 9 per cent from the previous quarter, but completions are up by 2 per cent. Starts by <a href="https://example.com/housing/associations">housing associations</a> are 11 per cent lower compared to the last quarter, but completions are up by 4 per cent.
- All <u>starts</u> are now 137 per cent above the trough in the March quarter 2009 and 17 per cent below the March quarter 2007 peak. All <u>completions</u> are 72 per cent above the trough in the March quarter 2013 and 11 per cent below the March quarter 2007 peak.



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# Introduction

This Statistical Release presents National Statistics on new build dwellings in England up to 31 December 2018. The figures show the numbers of starts and completions for new build dwellings in England in each quarter.

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 new build dwellings release should be regarded as a leading indicator of overall housing supply.

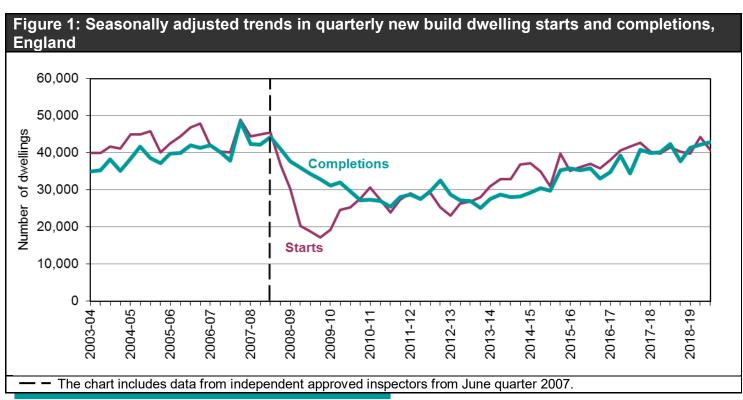
The 'new build dwelling' figures are based on building control inspection data, submitted to the ministry by local authorities, the National House Building Council (NHBC) and other independent approved building control inspectors.

Alongside a previous release MHCLG published an action plan to improve the measurement of new homes built. This document sets out in detail the on-going work to improve the quality and coverage of our house building statistics. As set out in the action plan, this release includes a section with estimates derived from the previously published Energy Performance Certificates in order to give users a fuller set of data to estimate housing supply in England (page 12).

# Quarterly figures

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

#### Long term trends



Starts were broadly steady from 2003-04, averaging around 44,000 units each quarter until late 2007. Starts were strongly affected by the economic downturn from the start of 2008 when there was a period of rapid decline to a trough in the March quarter of 2009. 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. More recently, despite fluctuations, starts and completions have started to grow again gradually.

#### Starts - December quarter 2018

Seasonally adjusted new build dwelling starts in England are estimated at 40,580 in the December quarter 2018, an 8 per cent decrease compared to the September quarter 2018. Compared to a year ago, starts this quarter are down by 2 per cent. Starts are 17 per cent below their March quarter 2007 peak and are 137 per cent above the trough in the March quarter of 2009.

Seasonally adjusted starts were down 9 per cent in the private enterprise tenure and decreased by 11 per cent for housing associations. Starts by local authorities increased but this sector is small and the figures can be quite volatile.

#### **Completions – December quarter 2018**

Completions were estimated at 42,970 (seasonally adjusted) in the December quarter 2018, a 2 per cent increase from the previous quarter, and 1 per cent above their level in the same quarter a year ago. Completions are now 11 per cent below their peak in the March quarter 2007 and 72 per cent above the trough in March quarter 2013.

Seasonally adjusted completions were up 2 per cent in the private enterprise tenure and increased by 4 per cent in the housing association tenure from last quarter. Completions by local authorities decreased but this sector is small and the figures can be quite volatile.

Table 1a	a: Quarterl	ly ne	ew build	l dw	elling sta	rts by ter	nure	¹, Englan	ıd, seasona	lly adjus	sted	2,3	
							_		Local Au-				
		_	Privat		erprise	Housing		ociations	thority	thority All		Tenures	
					change			change				change	
			Otanta		previous	044-		previous	044	044-		on previous	
0044.45			Starts		quarter	Starts		quarter	Starts	Starts		quarter	
2014-15	July-Sept		27,450	0	-6%	6,850	0	-12%	610	34,910	0	-6%	
	Oct-Dec		25,560	O	-7%	5,160	0	-25%	360	31,080	O	-11%	
	Jan-Mar		32,000	n	25%	7,100	O	38%	650	39,750	O	28%	
2015-16	Apr-June		28,780	U	-10%	5,960	O	-16%	360	35,100	U	-12%	
	July-Sept		29,230	0	2%	6,550	0	10%	320	36,090	0	3%	
	Oct-Dec		30,410	0	4%	6,200	U	-5%	350	36,960	0	2%	
	Jan-Mar		29,340	U	-4%	6,100	U	-2%	470	35,900	U	-3%	
2016-17	Apr-June		31,380	0	7%	6,320	0	4%	440	38,150	0	6%	
	July-Sept		34,160	0	9%	6,120	U	-3%	380	40,650	0	7%	
	Oct-Dec		34,380	0	1%	6,790	0	11%	560	41,730	0	3%	
	Jan-Mar		35,220	0	2%	7,240	0	6%	350	42,800	0	3%	
2017-18	Apr-June		33,800	U	-4%	6,250	U	-14%	330	40,370	U	-6%	
	July-Sept		32,560	U	-4%	6,430	0	3%	830	39,810	U	-1%	
	Oct-Dec		34,860	0	7%	6,450	$\supset$	0%	230	41,550	0	4%	
	Jan-Mar		34,190	U	-2%	5,860	O	-9%	250	40,300	O	-3%	
2018-19	Apr-June	R	33,090	U	-3%	5,880	$\supset$	0%	770	39,750	U	-1%	
	July-Sept	R	37,150	0	12%	6,740	0	15%	380	44,270	0	11%	
	Oct-Dec	P	33,680	U	-9%	5,970	U	-11%	930	40,580	U	-8%	

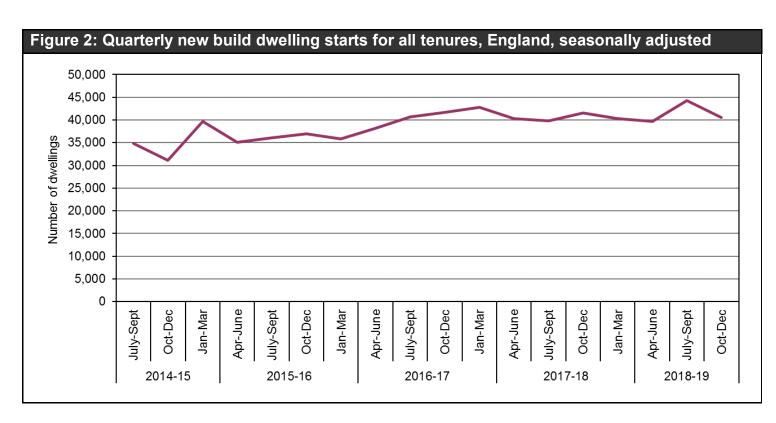
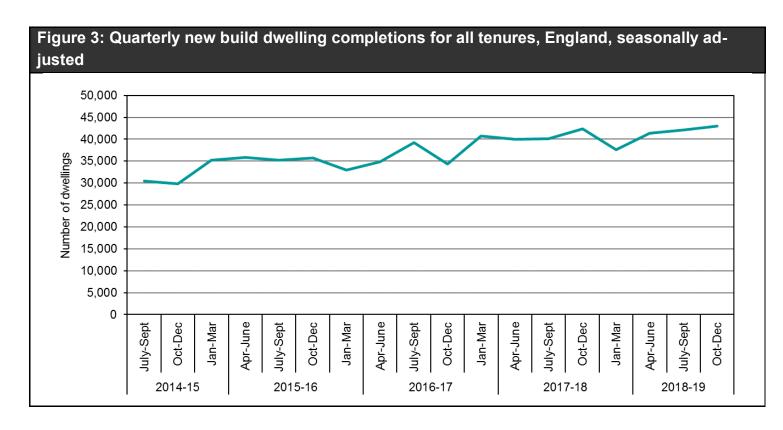


Table 1k	o: Quarterl	y n	ew build	dw	elling co	mpletions	by	tenure <sup>1</sup> ,	England, s	seasonally	y ad	jused <sup>2,3</sup>	
			Private	Ent	erprise	Housing	Housing Associations		thority	All	Tenu	ıres	
		_		%	change			6 change			%	% change	
			Comple- tions		previous quarter	Com- pletions		previous quarter	Comple- tions	Comple- tions		previous quarter	
2014-15	July-Sept		23,590	0	2%	6,550	0	13%	350	30,490	0	4%	
	Oct-Dec		23,360	U	-1%	6,140	U	-6%	320	29,820	U	-2%	
	Jan-Mar		26,380	0	13%	8,490	0	38%	400	35,260	0	18%	
2015-16	Apr-June		27,380	0	4%	8,030	U	-5%	440	35,840	O	2%	
	July-Sept		27,980	0	2%	6,930	U	-14%	350	35,260	U	-2%	
	Oct-Dec		28,750	0	3%	6,540	U	-6%	470	35,750	0	1%	
	Jan-Mar		27,090	U	-6%	5,290	O	-19%	650	33,030	U	-8%	
2016-17	Apr-June		28,060	0	4%	6,150	0	16%	610	34,820	0	5%	
	July-Sept		32,450	0	16%	6,410	0	4%	420	39,270	0	13%	
	Oct-Dec		27,680	U	-15%	6,300	O	-2%	430	34,400	U	-12%	
	Jan-Mar		33,910	0	22%	6,460	0	3%	400	40,770	0	18%	
2017-18	Apr-June		32,510	U	-4%	7,080	0	10%	390	39,990	U	-2%	
	July-Sept		32,870	0	1%	6,880	U	-3%	340	40,090	$\supset$	0%	
	Oct-Dec		34,750	0	6%	7,020	0	2%	600	42,370	0	6%	
	Jan-Mar		30,800	U	-11%	6,230	U	-11%	630	37,650	U	-11%	
2018-19	Apr-June	R	33,720	0	9%	6,910	0	11%	720	41,360	0	10%	
	July-Sept	R	34,470	0	2%	7,010	0	1%	700	42,180	0	2%	
	Oct-Dec	Р	35,080	0	2%	7,310	0	4%	580	42,970	0	2%	

<sup>1.</sup> Tenure may reflect the tenure of the developer building the dwelling rather than the intended final tenure, see definitions for further explanation.

Seasonally adjusted data have not been constrained to annual totals. Non-seasonally adjusted data are presented in the tables accompanying this
release.

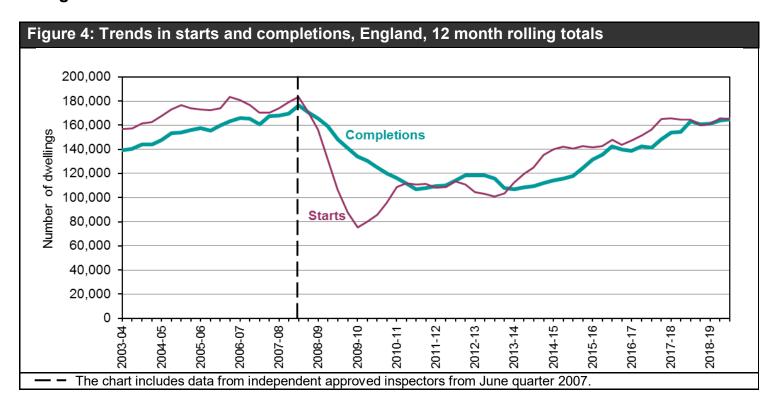


<sup>2.</sup> Because the number of local authority new build dwelling starts and completions is very small, quarterly comparisons can be very volatile. Accordingly, percentage changes are not shown for this tenure.

# 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.

#### Long term 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 have been averaging around 165,000 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 have increased gradually since 2013-14, averaging around 164,000 for the past two years.

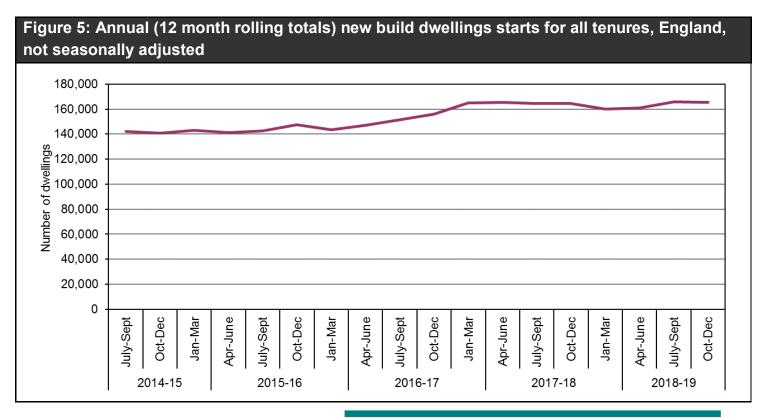
#### Starts - year ending December 2018

There were 165,160 new build dwellings started in the year to December 2018, no change compared to the year to December 2017. Private enterprise starts were up by 1 per cent compared with the previous year. Housing association starts decreased by 7 per cent compared with a year before.

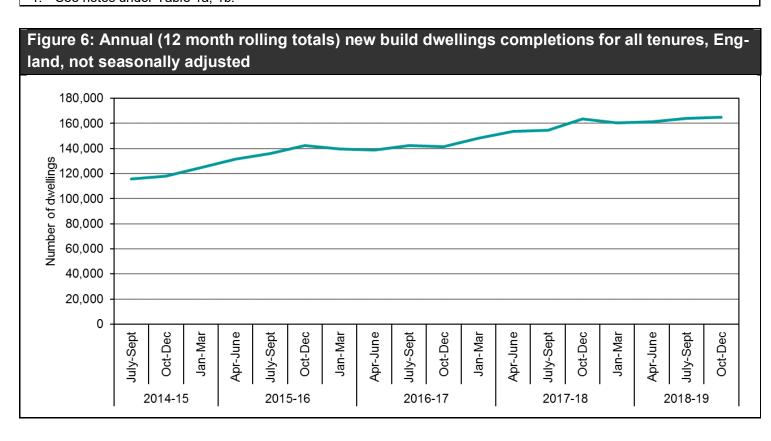
#### Completions - year ending December 2018

165,090 new build dwellings were completed in the year to December 2018, which is 1 per cent higher than in the year to December 2017. Private enterprise new build dwelling completions were 1 per cent higher than in the previous year, whilst completions by housing associations did not change on an annual basis.

		_	Private l	Ente	erprise	Housing A	Asso	ciations	Local Au- thority	All T	enu	res
			Starts in previous 12 months	-	change previous year	Starts in previous 12 months		change previous year	Starts in previous 12 months	Starts in previous 12 months		change previous year
2014-15	July-Sept		111,940	0	18%	27,780	0	18%	2,460	142,190	O	19%
	Oct-Dec		111,800	0	13%	26,340	0	6%	2,630	140,760	0	13%
	Jan-Mar		114,140	0	6%	26,880	0	4%	1,890	142,900	0	6%
2015-16	Apr-June		114,410	0	3%	25,090	U	-8%	1,970	141,470	O	1%
	July-Sept		116,000	0	4%	24,800	O	-11%	1,680	142,470		0%
	Oct-Dec		120,300	0	8%	25,750	U	-2%	1,670	147,730	0	5%
	Jan-Mar		117,410	0	3%	24,800	U	-8%	1,490	143,700	0	1%
2016-17	Apr-June		120,430	0	5%	25,160	)	0%	1,580	147,180	0	4%
	July-Sept		125,230	0	8%	24,740		0%	1,640	151,610	0	6%
	Oct-Dec		128,970	0	7%	25,330	U	-2%	1,840	156,140	0	6%
	Jan-Mar		136,480	0	16%	26,830	0	8%	1,730	165,040	0	15%
2017-18	Apr-June		137,630	n	14%	26,310	n	5%	1,610	165,540	0	12%
	July-Sept		135,790	0	8%	26,640	0	8%	2,060	164,500	0	9%
	Oct-Dec		136,430	0	6%	26,330	0	4%	1,740	164,510	0	5%
	Jan-Mar		133,820	U	-2%	24,730	O	-8%	1,630	160,180	U	-3%
2018-19	Apr-June	R	134,100	U	-3%	24,600	U	-7%	2,080	160,780	U	-3%
	July-Sept	R	139,210	0	3%	25,040	O	-6%	1,630	165,880	0	1%
	Oct-Dec	Р	138,290	0	1%	24,540	O	-7%	2,330	165,160	$\supset$	0%



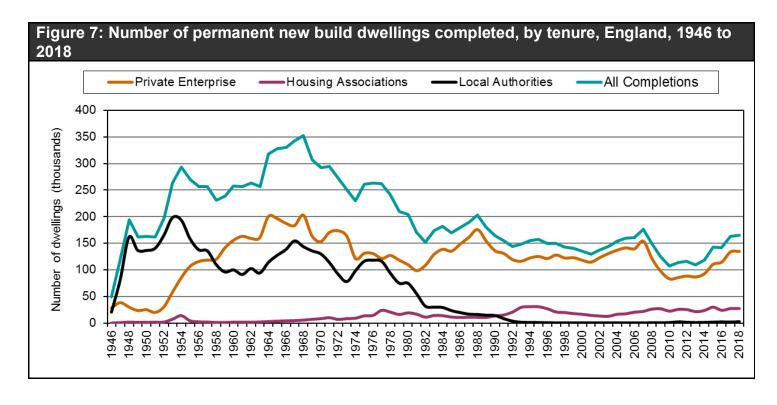
			Private l	Ente	rprise	Housing A	lsso	ciations	Local Au- thority	All T	enui	res
			Comple- tions in previous 12 months		change previous year	Comple- tions in previous 12 months		change previous year	Comple- tions in previous 12 months	Comple- tions in previous 12 months		change previous year
2014-15	July-Sept		91,560	0	6%	23,050	0	8%	1,110	115,720	O	7%
	Oct-Dec		92,850	0	7%	23,780	O	10%	1,180	117,810	0	8%
	Jan-Mar		96,270	0	7%	27,020	0	24%	1,360	124,640	0	11%
2015-16	Apr-June		100,690	0	11%	29,240	0	30%	1,500	131,430	0	15%
	July-Sept		104,660	0	14%	29,700	0	29%	1,500	135,850	0	17%
	Oct-Dec		110,710	0	19%	30,120	0	27%	1,650	142,470	0	21%
	Jan-Mar		111,350	0	16%	26,470	U	-2%	1,900	139,710	0	12%
2016-17	Apr-June		111,980	0	11%	24,790	U	-15%	2,070	138,840	0	6%
	July-Sept		115,970	0	11%	24,380	U	-18%	2,140	142,480	0	5%
	Oct-Dec		115,050	0	4%	24,140	U	-20%	2,100	141,280	U	-1%
	Jan-Mar		121,280	0	9%	25,230	O	-5%	1,850	148,360	0	6%
2017-18	Apr-June		125,900	0	12%	26,230	0	6%	1,630	153,750	0	11%
	July-Sept		126,230	0	9%	26,700	0	9%	1,560	154,480	0	8%
	Oct-Dec		134,220	0	17%	27,460	0	14%	1,730	163,410	0	16%
	Jan-Mar		131,480	0	8%	27,110	0	7%	1,960	160,560	0	8%
2018-19	Apr-June	R	132,200	0	5%	26,970	n	3%	2,300	161,470	O	5%
	July-Sept	R	133,410	0	6%	27,050	0	1%	2,660	164,110	0	6%
	Oct-Dec	P	135,000	0	1%	27,450		0%	2,640	165,090	0	1%



#### **Historical trends**

Figure 7 below shows the historical trends of new build dwelling completions in England, split by tenure of developer. Overall, the number of completions increased until the 1970's with a peak of 352,540 dwellings completed in 1968. Completions then fell significantly in the next decade.

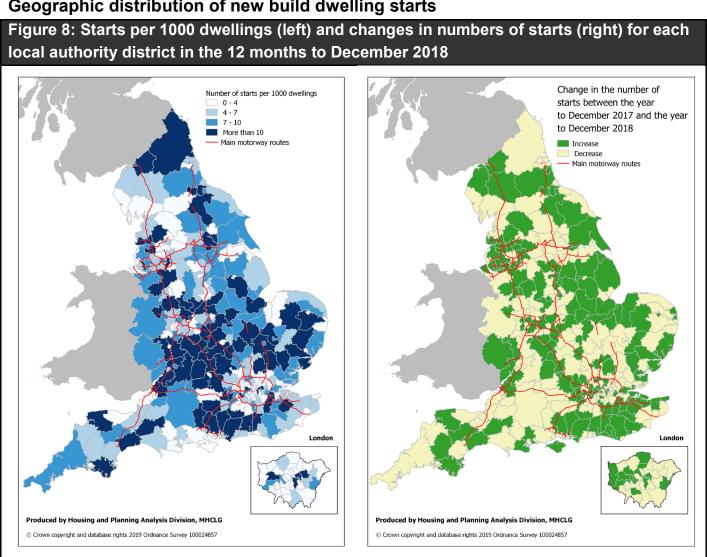
In terms of tenure of developer, from 1946 to 1980's a large number of completions were delivered by Local Authorities (Council housing). This reduced as the 1980s saw local authorities becoming housing 'enablers' working with housing associations rather than direct 'providers'. Completions delivered by the private sector picked up in the 1950's and soon started dominating the market through to the current day. Housing Associations have delivered a broadly steady numbers of completions over the years. The tenure captured in these statistics reflects the tenure of the developer building the dwelling rather than the intended final tenure, which can be different. In particular, there is a substantial quantity of affordable housing which is not captured because it is built in the private sector and then bought by local authorities and housing associations. The department produces affordable housing supply statistics which give a more detailed breakdown of the provision of affordable housing (<a href="https://www.gov.uk/government/collections/affordable-housing-supply">https://www.gov.uk/government/collections/affordable-housing-supply</a>). Technical details relating to the tenure classification in this release are outlined further in the Definitions section.



# 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 new build dwelling starts



See notes under Figure 8.

There are relatively high rates of new build starts per 1,000 dwellings in local authorities stretching from west of the London commuter belt across the midlands to East Anglia. Areas with high rates include Eastleigh, South Derbyshire and Wokingham.

Levels of starts increased between the year to December 2017 and the year to December 2018 in 161 out of 326 authorities. The geographic spread of increases and decreases is mixed. Some of the greatest increases and decreases in starts levels were in parts of London.

#### Geographic distribution of new build dwelling completions

Figure 9: Completions per 1000 dwellings (left) and changes in numbers of completions (right) for each local authority district in the 12 months to December 2018 Change in the number of Number of completions per 1000 dwellings completions between the year to December 2017 and the year 7 - 10 to December 2018 More than 10 Main motorway routes Decrease Main motorway routes Produced by Housing and Planning Analysis Division, MHCLG Produced by Housing and Planning Analysis Division, MHCLG © Crown copyright and database rights 2019 Ordnance Survey 100024857 © Crown copyright and database rights 2019 Ordnance Survey 100024857

See notes under Figure 8.

The highest rates of completions follow a similar pattern to starts, with particular areas including South Derbyshire, Corby and Dartford.

Completion rates between the year to December 2017 and the year to December 2018 were increasing in 178 out of 326 authorities. The geographic spread of increases and decreases is very mixed.

#### **Local Enterprise Partnerships**

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:

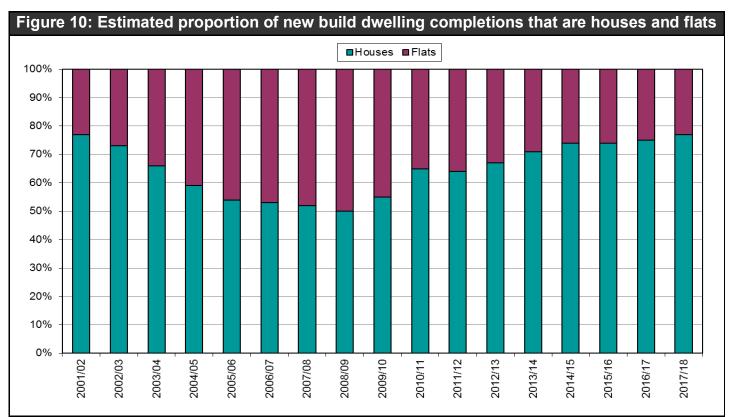
http://www.gov.uk/government/publications/local-enterprise-partnerships-local-authority-mapping

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.

#### 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 build dwellings that are houses as opposed to flats.

Figure 10 shows the split of completions between houses and flats. The proportion of flats increased from just under a quarter of all new build dwellings 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. In 2017-18 houses made up 77 per cent of all new build dwelling completions – the highest proportion since 2001-02.

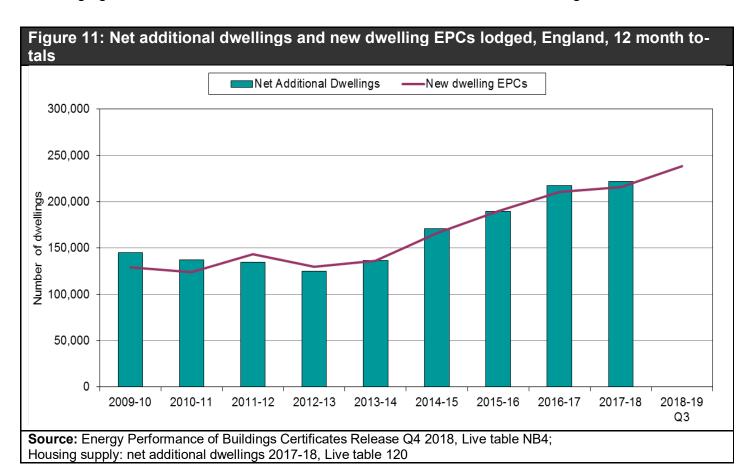


# Supplementary Data: Energy Performance Certificates

The Ministry of Housing, Communities and Local Government publishes quarterly experimental official statistics on the Energy Performance of Buildings<sup>1</sup> which includes statistics on Energy Performance Certificates (EPCs) lodged for new dwellings. All new dwellings (including new builds, conversions and change of use) require an EPC once construction is completed.

#### Annual comparison: new dwelling EPCs and net additional dwellings

MHCLG publishes an annual National Statistic on 'Housing supply: net additional dwellings' which is the primary measure of housing supply. These annual statistics provide a more comprehensive but less timely measure of housing supply than the quarterly new build statistics. New dwelling EPC statistics provide a broader measure of total new dwellings each quarter than new build dwelling figures and are a useful indicator of the annual net additional dwellings statistics.



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. Net additions reached

<sup>&</sup>lt;sup>1</sup> 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, <a href="https://www.gov.uk/government/collections/energy-performance-of-buildings-certificates">https://www.gov.uk/government/collections/energy-performance-of-buildings-certificates</a>

222,000 in 2017-18 and in the same year new dwelling EPCs reached 216,000, an increase of 2 per cent and 3 per cent respectively since 2016-17.

EPCs lodged for new dwellings increased slightly to 216,000 in 2017-18, up 3 per cent from 2016-17. In the year to December 2018, there were 238,000 new dwelling EPCs lodged, an increase of 14 per cent compared with the year to December 2017.

Table 3: Net a	dditional dwe	llings and	l new dw	elling EPCs lo	dged, Eng	land, 12 ı	month totals
	New dwellir	ng EPCs loc	lged	Net addition	nal dwelling	gs	% difference
12 month		% char			% char		between
period	N	previou	ıs year	N	previou	ıs year	measures
2009-10	129,000			145,000			-10%
2010-11	124,000	0	-4%	137,000	U	-5%	-9%
2011-12	143,000	0	16%	135,000	O	-2%	7%
2012-13	130,000	U	-9%	125,000	U	-8%	5%
2013-14	136,000	0	5%	137,000	0	10%	1%
2014-15	166,000	0	22%	171,000	0	25%	-2%
2015-16	190,000	0	14%	190,000	0	11%	1%
2016-17	211,000	0	11%	217,000	0	15%	-2%
2017-18	216,000	0	3%	222,000	0	2%	-2%
2018-19 Q3	238,000	0	14%	••			

**Source:** Energy Performance of Buildings Certificates Release Q4 2018, Live table NB4;

Housing supply: net additional dwellings 2017-18, Live table 120

#### 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). The difference between the two sets of figures has widened since the quarter ending June 2014. This is partly due to an increase in the number of new dwellings created through change of use.

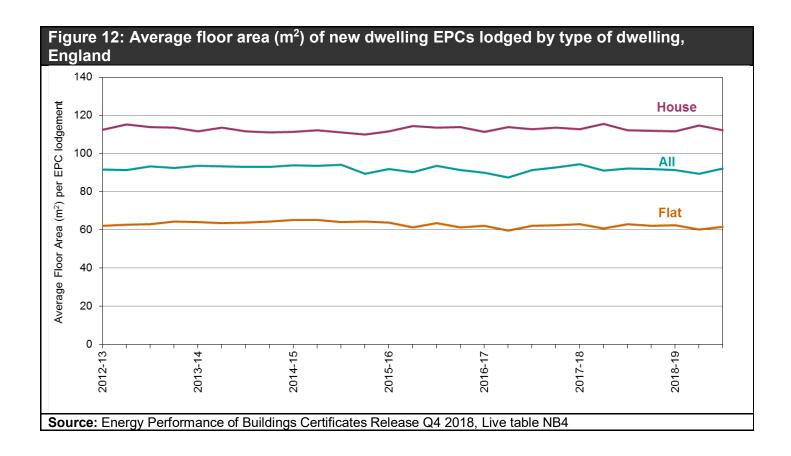
There were 66,000 new dwelling EPCs lodged in England in the quarter ending December 2018.

#### Floor Space

Statistics on EPCs lodged for new dwellings contain information on floor area. Since 2012-13, the average floor area per lodgement has remained fairly stable<sup>2</sup>. Overall, the average floor area for new dwelling EPC lodgements (including houses, flats, bungalows and maisonettes) was 92m<sup>2</sup> in the quarter ending December 2018. In this quarter, houses had an average floor area of 112m<sup>2</sup> and flats had an average floor area of 62m<sup>2</sup>, both relatively unchanged since 2012-13.

<sup>&</sup>lt;sup>2</sup> Figures are presented from 2012-2013 due to a change in the Standard Assessment Procedure (SAP) in April 2011 which may impact floor area statistics.

<sup>14</sup> Housing Statistical Release



# Accompanying 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

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

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.

# Related statistics

House building and related statistics are detailed in Table 4. Further information can be found in the separate statistical release for each source which can be found at the links below.

Table 4: H	ouse buildina:	new build dwell	ings and related statistics	
Source	Included	Excluded	Where does the data come from	Other useful infor- mation
MHCLG House building; new build dwellings	Quarterly esti- mates of new build starts and completions	Communal accommodation, e.g. university, student or hostel  New build dwellings without a completion certificate.	Building control officers at:  National House Building Council Local Authorities Approved Inspectors	This is a 'leading indi- cator' of house build- ing, available soon after quarter end.
MHCLG House building; new build dwellings (Housing Association and Local Authority tenures combined)	Quarterly esti- mates of new build housing for social rent	Most affordable ownership supply (will be included under private enterprise) and acquisitions	Building control officers at:	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 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.
MHCLG	Total housing	Communal ac-	Annual statistical return from local	Provides an accurate

Housing supply: net additional dwellings	supply that comprises new build, conver- sions, change of use, other gains/losses and demoli- tions.	commodation not included in main figures; provided separately	authorities and Greater London Authority.  The new build figures from the annual return provide a more complete count than the building control based quarterly statistics. Local authorities have longer to complete the annual return and to reconcile various sources including building control, council tax records and site visits The new build component of the net additions statistics is generally larger than the corresponding annual total from the quarterly new build series.	assessment of annual change in housing stock.  'Net additional dwellings' is the primary and most comprehensive measure of housing supply.
MHCLG Energy Perfor- mance Certifi- cates	Domestic Energy Performance Certificate Lodgements  These relate to new domestic properties and transactions of existing dwellings. New domestic properties' can be identified separately.	Existing Properties which for which no EPC has been lodged.  (An EPC is only required when a property is constructed, sold or let).	Domestic energy assessors.  They lodge certificates on the 'Domestic energy performance certificate register'.	The EPC definition of 'new domestic properties' includes new build and conversions. It is broader than 'House Building (new build dwellings)' and is closer to 'Housing Supply (net additional dwellings).'
VOA Council Tax valua- tion lists	Dwellings and communal accommodation.  (The Valuation Office Agency's definition of a dwelling differs from that used in the census. The Ministry of Housing, Communities and Local Government's net additional dwelling statistics and dwelling stock estimates statistics use the census definition that does not include communal dwellings although these are included in the council tax list).	Dwellings on the Business Rating List (eg a self-catering property)	The Valuation Office Agency compiles and maintains lists of all domestic properties in England and Wales to support the collection of council tax. These lists are continually updated to reflect new dwellings and losses.	The Valuation Office Agency also manages lists of 'non-domestic rating' properties in England and Wales to support the collection of business rates. These lists are also continually updated to reflect the creation and loss prop- erties. Properties move between the two lists (for example, a 'non- domestic rated' self- catering property may change to a Council Tax valuation list dwell- ing, and vice versa).
MHCLG New Homes	Dwellings and communal accommodation.	Dwellings on the Business Rating List (eg a self-	The council taxbase data return is made by local authorities to the Ministry of Housing, Communities	The combination of tim- ing and definitional dif- ferences means that it

	Γ			
MHCLG	As the New Homes Bonus is based on council tax da- ta, which is de- rived from the Valuation Office Agency's valua- tion list, it is collected using the same, broader defini- tion of a dwell- ing as used by the Valuation Office Agency (see 'Council tax valuation lists' above).	catering property)  Communal ac-	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 Housing supply; net additional dwellings is measured (the year to April).  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.	is not possible to reconcile fully the New Homes Bonus numbers to the net additional dwelling estimates. 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 byproduct of the data used to administer the council tax system and are not primarily designed as a measure of housing supply.  The dwelling stock es-
MHCLG Dwelling Stock Es- timates	Dwellings	communal ac- commodation, e.g. university, student or hostel	l hese estimates are based on the latest census count incremented annually with the net additional dwelling statistics from this release.	timates also provide a split by tenure that takes account of the net increases in supply and also changes between tenure such as Right to Buy sales.
MHCLG Affordable starts and comple- tions (Homes Eng- land/GLA)	6-monthly estimates of starts and completions funded by the Homes England and GLA.	Does not split out partial grant s106 affordable hous- ing	Estimates from the Homes England and GLA.	Provides information on delivery for Homes England and GLA programmes only.  Time series from 2009/10.
MHCLG Affordable Housing Supply (all)	Annual esti- mates of overall affordable housing com- pletion	Does not split out partial grant s106 affordable hous- ing	Annual Affordable Housing Statistics which use Homes England, GLA and LA data (on delivery not reported via Homes England/GLA).	Provides a full account of supply for each financial year.  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.
		Time series from 1991/92.

#### Housing supply: net additional dwellings

The Housing supply; net additional dwellings statistics can be found at the following link.

http://www.gov.uk/government/organisations/ministry-of-housing-communities-and-local-government/series/net-supply-of-housing

#### Council tax valuation lists

The Valuations Office Agency statistics can be found at the following link.

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

#### **New Homes Bonus**

The final New Homes Bonus allocations for 2019 to 2020 were published on 29 January 2019. Details can be found at the following link.

https://www.gov.uk/government/publications/new-homes-bonus-final-allocations-2019-to-2020

#### **Dwelling stock estimates**

The *Dwelling Stock Estimates* can be found at the following link.

http://www.gov.uk/government/organisations/ministry-of-housing-communities-and-local-government/series/dwelling-stock-including-vacants

#### Affordable housing

The Ministry of Housing, Communities and Local Government's *Affordable Housing Supply* statistics can be found at the following link.

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

The Homes England (formerly the Homes and Communities Agency) Housing Statistics can be found at the following link.

http://www.homesandcommunities.co.uk/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 Ministry of Housing, 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 (Als).

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

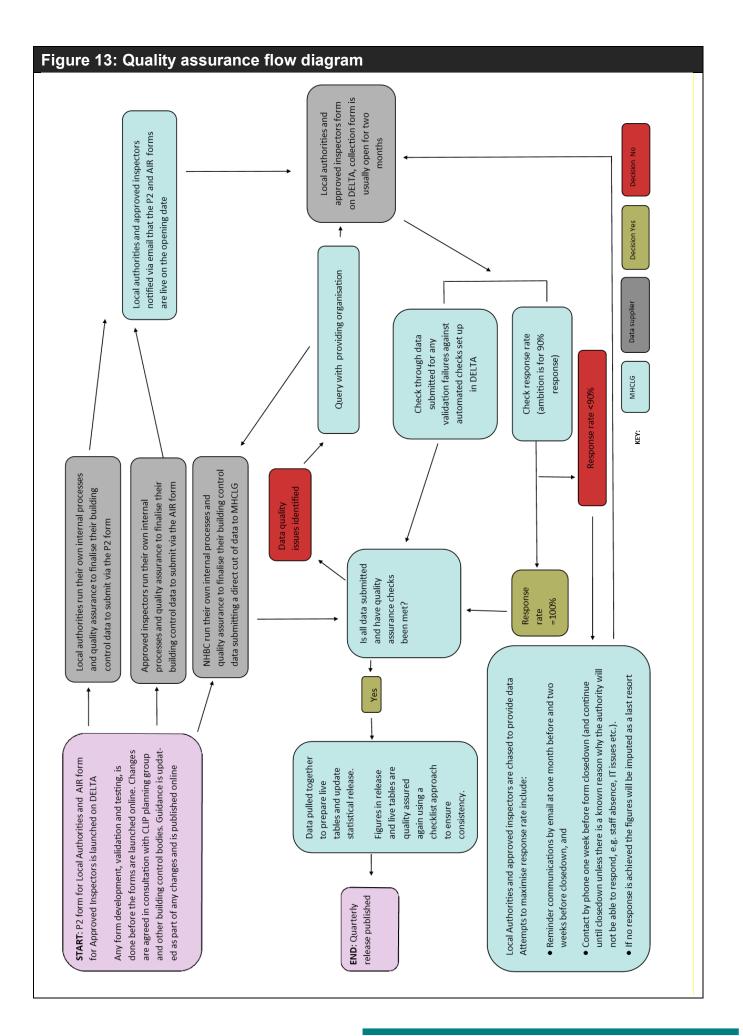
## Data sources and data quality

#### 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 2018 a 94 per cent local authority response rate was achieved, up from 93 per cent last quarter.

Other approved inspector data are collected from independent building control companies. In the September quarter 2018 an 85 per cent response rate was achieved, up from 83 per cent last quarter. 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.

A full outline of the statistical production process and quality assurance carried out is provided in the flow chart in Figure 13 below.



#### **Data sources**

Since 1946, the house building statistics have been based the on building control system as it has the advantage that it is the best source to identify the start of new build dwellings (specifically the commencement of construction in laying of foundations) and is the most timely measure of new build completion (as measured by the completion certificate).

The department has been undertaking an on-going programme of work which has (a) confirmed the accuracy and coverage of the annual housing supply and net additional dwellings estimate compared to other similar statistics; and (b) explored the coverage of the quarterly house-building release. The programme involved detailed discussions with a range of organisations and user consultation. The outcome of these user engagement sessions has generated a series of proposed actions to further improve the coverage of the department's quarterly new build statistics, resulting in the publication action plan to improve the measurement of new homes built, which can be found at the following link:

https://www.gov.uk/government/publications/improving-the-measurement-of-new-homes-built-action-plan

The department is part of a cross government working group, including devolved administrations and the Office of National Statistics, to improve the quality of housing and planning statistics. Details of this work are available via the Government Statistical Service website: <a href="https://gss.civilservice.gov.uk/guidances/working-with-users-2/housing-and-planning-statistics/">https://gss.civilservice.gov.uk/guidances/working-with-users-2/housing-and-planning-statistics/</a>

There are several alternative sources of data on house building in England, including the building control system, the council tax system, the Land Registry, Energy Performance Certificates and site visits. Each has its own advantages and disadvantages. The methodology has been reviewed by the UK Statistics Authority in 2011 and the Office for Statistics Regulation in 2017.

The Ministry of Housing, Communities and Local Government has explored using other sources to produce estimates of quarterly house building. This included use of Land Registry data. However, this is a record of land and ownership, and therefore not all dwellings will be identifiable. Another source of information on quarterly house building completions is the Energy Performance Certificate (EPC) statistics. These statistics are also produced by the Ministry of Housing, Communities and Local Government and have now been included within this quarterly release to provide supplementary information on housing supply.

A summary of the sources used in this release are evaluated in Table 5.

	CLG Housebuilding; new bui	_	Ī	
Source/	Strengths	Weaknesses	Continuing Improvement	Why 'Fit for Purpose'
Source/ Type Local Authority Building Control  Type Quarterly statistical return from 326 local authorities. High response rate (93% in 2018 Q3). Imputation for missing returns  National House Building Council  Type Monthly elec-	Local authority building control provided data on new build starts and completions certificates  – sourced from inspections on building sites undertaken by Local Authority Building Control Officers.  Digital return completed by local authorities. It is a mandatory collection and on the single data list. Validated by Local Authority and MHCLG.  Ways to ensure consistency:  •Guidance notes updated annually. https://www.gov.uk/guidance/house-building-data-notes-and-definitions-includes-p2-full-guidance-notes-and-returns-form  •On-line form has interactive validation that alerts users to invalid and implausible values  •Validation check after data receipt National House Building Council building control provided data on new build starts and completions certificates  – sourced from inspections on building sites undertaken by National House Building Control Of-	The statistics are highly dependent on the quality and coverage of the information provided by organisations that supply the underlying administrative data, collected as part of the building control inspection process.  Emerging issues are local authority building control forming strategic building control partnerships and outsourcing.  The statistics are highly dependent on the quality and coverage of the information provided by organisations that supply the underlying administra-	Detailed in MHCLG action plan https://www.gov.uk/government/publications/improving-the-measurement-of-new-homes-built-action-plan  Continuing communication with, local authorities, LABC (the representative organisation of Local Authority Building Control), the Building Control Performance Standards Advisory Group and the Consultative Committee on Construction Industry Statistics.  The department has set up a working group with the National House Building Council and have met with the Chief Executives of the Association for Consultant Approved Inspectors (ACAI) and LABC (the representative organisation of Local Authority Building Control).  Detailed in MHCLG action plan https://www.gov.uk/government/publications/improving-the-measurement-of-new-homes-built-action-plan  Continuing communication with MHCLG, local authorities, NHBC,	'House building' -public scrutiny as leading indicator of housing supply. National Statistic  Comprehensive QA and sense checks by Local Authority and MHCLG (e.g. Council Tax, Energy Performance Certificates)  Risk  Error – low Impact- medium  'House building' -public scrutiny as leading indicator of housing supply. National Statistic.  Comprehensive QA and sense checks by NHBC, LABC and MHCLG. e.g.
Monthly electronic file transfer. (100% coverage). No Imputation.	tional House Building Control Officers.  Digital return is also sent to local authorities.  Memorandum of Understanding between MHCLG and NHBC covers the provision of data. It is a legal requirement for NHBC to send this data to MHCLG. NHC also send an extract to each LA.  Validated by NHBC and MHCLG.  Ways to ensure consistency:  •Guidance notes updated annually.  https://www.gov.uk/guidance/house-building-data-notes-and-definitions-includes-p2-full-guidance-notes-and-returns-form  •On-line form has interactive validand implausible values  •Validation check after data receipt	underlying administrative data, collected as part of the building control inspection process.	the Building Control Performance Standards Advisory Group and the Consultative Committee on Construction Industry Statistics.  The department has set up a working group with the National House Building Council and have met with the Chief Executives of the Association for Consultant Approved Inspectors (ACAI) and LABC (the representative organisation of Local Authority Building Control).	Council Tax, Energy Performance Certificates  MHCLG regularly visit NHBC Headquarters (and vice versa) to keep up to date on new developments in NHBC data recording and QA processes.  Risk Error – very low Impact- high (as NHBC account for approximately half of the data used to produce the house building statistics)
Independent Approved Inspectors  (approx. 80+)  Type Quarterly statistical return from 326 local au- thorities. High response rate (83% in 2018 Q3). Imputa- tion for miss- ing returns	Independent Approved Inspectors building control provided data on new build starts and completions certificates  – sourced from inspections on building sites undertaken by Independent Approved Inspectors Control Officers.  Digital return completed by local authorities. It is a voluntary collection. Validated by Approved Inspector and MHCLG.  Ways to ensure consistency:  •Guidance notes updated annually. https://www.gov.uk/guidance/hous	The statistics are highly dependent on the quality and coverage of the information provided by organisations that supply the underlying administrative data, collected as part of the building control inspection process. Return of data from approved inspectors is voluntary.	Detailed in MHCLG action plan https://www.gov.uk/government/publi cations/improving-the-measurement-of-new-homes-built-action-plan  Continuing communication with MHCLG, local authorities, the Building Control Performance Standards Advisory Group and the Consultative Committee on Construction Industry Statistics.  The department has set up a working group with the National House Building Council and have met with the Chief Executives of the Association for Consultant Approved Inspectors (ACAI) and LABC (the repre-	'House building' -public scrutiny as leading indicator of housing supply. National Statistic Comprehensive QA and sense checks by Local Authority and MHCLG e.g. Council Tax, Energy Performance Certificates Risk Error – low Impact- medium

	e-building-data-notes-and-		sentative organisation of Local Au-	
	definitions-includes-p2-full-		thority Building Control).	
	guidance-notes-and-returns-form			
	<ul> <li>On-line form has interactive vali-</li> </ul>			
	dation that alerts users to invalid			
	and implausible values			
	<ul> <li>Validation check after data receipt</li> </ul>			
Energy	If works are carried out to create a	The statistics are spe-	These are currently experimental	These statistics are provided
Performance	new building(s), either by means	cifically collected for	statistics and will continue to be	as supplementary indicators
Certificate	of new build or by conversion of an	energy performance	improved in future. For further de-	on housing supply to support
Lodgements	existing building (for example,	purposes and do not	tails please consult the statistics.	and QA the figures from the
	subdivision of an existing building	separate out new build		other 3 sources
Type	into flats or change of use of an	from changes of use	https://www.gov.uk/government/colle	
	office), the builder or person re-	and conversions.	ctions/energy-performance-of-	The statistics are subject to
MHCLG pub-	sponsible for the construction must	There may be some	<u>buildings-certificates</u>	comprehensive QA and
lishes quarter-	obtain an EPC once construction	instances of duplicate		sense checks by Local Au-
ly data on	has been completed, so coverage	certificates entering		thority and MHCLG before
numbers of	of new building completions is	the register. Previous		publication
certificates	high. This will also apply if a build-	data shows EPC fig-		
issued for	ing is converted into fewer or more	ures are most likely to		Risk
buildings	units designed for separate occu-	overestimate net addi-		Low – Provided as supple-
which have	pation and there are changes to	tions but in recent		mentary information only.
been newly	the heating, hot water provision or	years have been very		
constructed,	air conditioning/ventilation ser-	close, although there		
sold or let.	vices.	are local variations,		
		especially in London.		

#### Assessment of data quality

In 2015 the UK Statistics Authority (UKSA) published a <u>regulatory standard for the quality assurance of administrative data</u>. To assess the quality of the data provided for this release the department has followed that standard.

The standard is supported with an <u>Administrative Data Quality Assurance Toolkit</u> which provides useful guidance on the practices that can be adopted to assure the quality of the data they utilise.

The House building: new build dwellings statistical release is produced by MHCLG based on data provided by Local Authorities, the National House Building Council (NHBC) and Independent Approved Inspectors. An assessment of the level of risk based on the Quality Assurance Toolkit is as follows:

Risk/Profile Matrix	Administrative Source	Data Quality	Public Interest	Matrix
Statistical Series		Concern		Classification
House building: new	<b>Building Control information</b>	Low	High	Medium Risk
build dwellings	held by Local authorities,			[A2]
	the NHBC and Independent			
	Approved Inspectors own			
	individual data systems.			

The publication of House building: new build dwellings can be considered as high profile, as there is significant mainstream media interest, with moderate economic and/or political sensitivity. These statistics show the latest timely information on trends in starts and completions of house building; however they are not as robust as the annual Net additional dwellings measure of supply.

The data quality concern is considered as low given that the data are checked extensively by MHCLG statisticians and the NHBC before being published. There are issues around data coverage, with the more timely quarterly data undercounting housing delivery when compare to the annual supply figures. The department is working to improve upon the data coverage as part of the improvement action plan.

Overall, the new build dwellings have been assessed as A2: Medium Risk. This is mainly driven by the high profile nature of the figures. Further details are also provided in the following four paragraphs against each of the four areas outlined in the Quality Assurance of Administrative Data (QAAD) Toolkit.

#### Operational context and administrative data collection

The three data sources for new build dwellings are the building control data from the NHBC, individual local authorities and independent Approved Inspectors.

Building regulations are minimum standards for design, construction and alterations to virtually every building. The regulations are developed by the UK government and approved by Parliament. The <u>Building Regulations 2010</u> cover the construction and extension of buildings and these regulations. Individuals of organisations can apply to any local authority building control department or Approved Inspector for building regulations approval.

Local authority building control teams in England help people comply with the building regulations by giving feedback on plans and providing site inspections. The local authority has a general duty to see that building work complies with the building regulations, unless it is under the control of an approved inspector. Individual local authorities then collate the data they collect as part of these building control inspections and provide it to MHCLG.

Approved inspectors are companies or individuals authorised under the Building Act 1984 to carry out building control work in England and Wales. The NHBC (National House-Building Council) are the largest organisation of approved inspectors and they provide their building control data directly to the department. Following regulatory changes in 2005 it became easier for other independent providers to operate in the private house building market for building control and they are able to submit data to the department.

#### **Communication with data supply partners**

There are regular contacts with the various data suppliers for this release. Direct contact is maintained when the data is being provided either through the DELTA collection process for local authorities and approved inspectors, or directly when the data extract is provided from the NHBC

Ongoing communication on the collection and any potential changes with suppliers is managed through a number of formats including the Central Local Information Partnership (CLIP) Housing sub-group, the Building Control Performance Standards Advisory Group (BCPSAG), Local Authority Building Control (LABC), the Association of Consultant Approved Inspectors (ACAI), the National House Building Council (NHBC), Homes England and the Consultative Committee on

Construction Industry Statistics (CCCIS). Any changes or updates to the data collection and usage are communicated through these groups to ensure that the data collected is as accurate and consistent as possible and is of minimal burden to the providers.

Local authorities are required to provide the data to the department as part of the Single Data List governing data mandatory returns to central government. Data from the NHBC is provided as part of their 'Memorandum Of Understanding for provision of data' agreed with the department, data provide by approved inspectors is voluntary and the department works closely with them to encourage returning data as part of their processes.

#### QA principles, standards and checks by data suppliers

Local authorities who carry out building control inspections will all have their own systems and process to collect the data. As there are 326 different local authorities, supplying data to the department directly or indirectly via a building control partnership, and there are also over 80 approved inspectors providing data, it is not practical to fully understand and monitor each individual provider's processes.

To mitigate this lack of direct oversight, the department ensures additional effort is put into the QA checks carried out when the data is received from these organisations. The department also continually reviews and updates guidance put out to these organisations each year, maintaining regular communication with the relevant representational bodies throughout.

The NHBC data is provided as a direct data extract, supplied by electronic file transfer. They employ 1,100 staff, including 280 building inspectors across the UK, who carry out and collect data on around one million inspections at key stages of home construction each year. As part of this work they centrally collate data from these inspections and quality assure it. The department has been to inspect and discuss NHBC collection methods on a regular basis and is assured that the data and processes are of good quality.

#### Producers' QA investigation and documentation

Whilst providers are expected to carry out their own checks before the data is submitted for this publication, further quality assurance is carried once the data is received by the responsible statisticians for this publication. The DELTA data collection system is designed to pick up errors upon data entry and issue validation failures which prevent obviously incorrect values being submitted. Following the completion of all data submitted via DELTA further checks are carried out by the Department's statisticians. These checks are designed to pick up any figures which have passed through the validation criteria of DELTA but require further investigation. These potential errors are identified by comparing figures submitted with other published sources and historical trends. For the NHBC data submitted by electronic file transfer, after loading to our systems, the Department's statisticians provide a summary report back to the NHBC. NHBC then confirm that the data they have provided has been reported correctly.

The data is compiled together across the three sources and is and compared to the historical time series and across the other sources. Any issues spotted are queried are escalated to the providers if necessary to resolve.

The final data, bulletin and live tables are quality assured independently by another statistician in the production team. Further final checks are performed to the final end product (for example, to check figures, formatting and text). These checks use a clear checklist approach to ensure the figures are consistent across the release and live tables, with each check being systematically signed off when it has been completed. The final statistical release is quality assured independently by the Senior Statistician and the Deputy Director for Housing and Planning Analysis Division.

#### Additional data quality points:

#### **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.

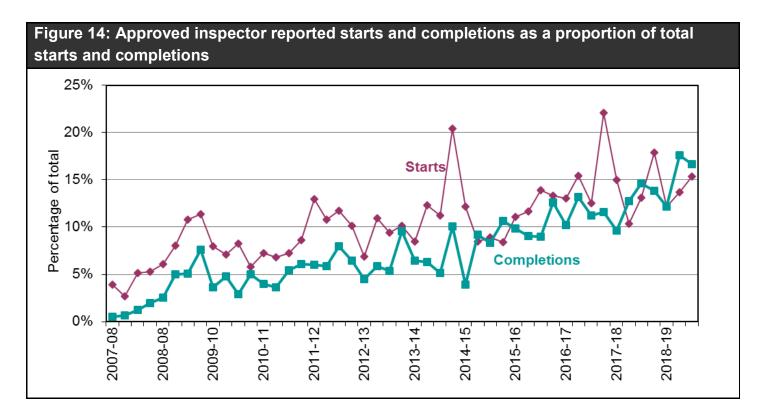
#### From start to completion

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.

#### Independent approved inspector's data

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 September quarter 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. Figure 14 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.



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.

More recently, we've continued to improve coverage of the release by increasing the number of approved inspectors providing regular data have worked with individual data providers to increase clarity and consistency of recording across the sector.

#### **Tenure**

Figures on new build dwelling starts and completions are from records kept for building control purposes. The house building figures will reflect the tenure of the developer building the dwelling 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.

#### **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. In this release, starts data from three independent approved inspectors for quarters 2016 Q3 to 2018 Q1 inclusive, two independent approved inspectors for 2018 Q2, one independent approved inspector for 2018 Q3, and one independent approved inspector for 2018 Q4 were not included in the estimates. To enable further data quality assurance estimates were imputed instead.

# **National Statistics Status**



National Statistics status means that our statistics meet the highest standards of trustworthiness, quality and public value as set out in the <u>Code of Practice for Statistics</u>. It is the Ministry of Housing Communities and Local Government's statisticians' responsibility to maintain compliance with these standards.

The designation of these statistics as National Statistics was first confirmed in December 2011 following an assessment by the UK Statistics Authority. These statistics last underwent a compliance check against the Code of Practice for Statistics in June 2018.

The Office for Statistics Regulation confirmed the continued designation of these as National Statistics on 9 February 2019.

https://www.statisticsauthority.gov.uk/correspondence/response-to-update-on-statistics-on-housing-in-england/

The Office for Statistics Regulation commended the following improvements:

- Ongoing work to improve the quality of data used to produce New Build Dwellings; improving the presentation of the statistics; and including energy performance data within the quarterly publication to help provide users with additional insight and an indication of estimates presented in the forthcoming annual Net Additional Dwellings.
- Improvements to the coherence of your statistics by publishing guidance within each publication about how the range of housing statistics relate to each other, supported by an accessible one page guide.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_d ata/file/780706/HPAD\_stats\_guide\_Feb\_2019.pdf

- Improved supporting information about the strengths and limitations of the data sources
  used to produce each statistic, and publishing your assessment of the existing quality assurances of these sources taking into account the Authority's Quality Assurance for Administrative Data Regulatory standard.
- Continued collaborative working with statisticians in the Office for National Statistics and across the devolved administrations as part of the Cross-Government Housing Statistics Working Group to deliver a range of wider improvements to housing and planning statistics.

# **Definitions**

The Housing Statistics and English Survey glossary can be found here: <a href="https://www.gov.uk/guidance/housing-statistics-and-england-housing-survey-glossary/a-to-z">https://www.gov.uk/guidance/housing-statistics-and-england-housing-survey-glossary/a-to-z</a>

The glossary is a single reference point for terms and definitions used in MHCLG housing statistical publications and English Housing Survey reports, arranged alphabetically.

#### **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 (e.g. '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 (e.g. a shared hallway) and there are no conditional restrictions on occupancy.

Communal establishments, i.e. 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 (e.g. 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.

#### New build dwelling 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.

#### New build dwelling 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.

#### New build dwelling 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.

# **Revisions policy**

This policy has been developed in accordance with the UK Statistics Authority Code of Practice for Official statistics and the Ministry of Housing, Communities and Local Government Revisions Policy (found at <a href="http://www.gov.uk/government/publications/statistical-notice-dclg-revisions-policy">http://www.gov.uk/government/publications/statistical-notice-dclg-revisions-policy</a>). 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 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, the National House-Building Council and other approved inspectors have been revised in this release back to the June quarter 2018. As a result, a net change of 696 starts have been removed during the period. This includes 1,154 starts removed from the private enterprise tenure, 458 starts added to the housing association tenure, and no revisions to the local authority tenure. The revisions have also resulted in an increase of 1,077 completions in the period. This includes 869 completions added to the private enterprise tenure, 208 completions removed added to the housing association tenure, and no revisions to the local authority tenure.

#### 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.

# User engagement

Users are encouraged to provide feedback on how these statistics are used and how well they meet user needs. Users are informed that MHCLG are in discussion with the Office for National Statistics and the devolved administrations concerning a proposal to transfer responsibility for the production and publication of UK, GB and collated devolved administration statistics on 'housebuilding and 'dwelling stock estimates' statistics to the ONS from mid-2019. Comments on this and 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 Ministry's engagement strategy to meet the needs of statistics users is published here: <a href="http://www.gov.uk/government/publications/engagement-strategy-to-meet-the-needs-of-statistics-users">http://www.gov.uk/government/publications/engagement-strategy-to-meet-the-needs-of-statistics-users</a>

A short questionnaire on how the Housing Statistics and data are used and the decisions they inform is currently open at:

https://www.surveymonkey.co.uk/r/housinguser

#### **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 Ministry of Housing, Communities and Local Government quarterly House Building release up to 24 hours before release can be found at:
  - http://www.gov.uk/government/organisations/ministry-for-communities-and-local-government/about/statistics
- 7. MHCLG are improving how data providers send statistical and grant data to us by providing a new online system called DELTA. The first full statistical data collection went live on the new system in July 2017 and we are working to move other collections over as part of a phased approach. We are not changing the types of data we collect, only the method in which we ask data providers to submit it. The benefits of the new data collection system include; one system for data submission (replacing varied and disparate contact points across our organisation) and better task management and communication through automated notifications. The system will bring greater visibility of the forms that are due to be completed and sight of submitted data. The aim of these changes is to bring a much

better user experience for data providers. This release was one of the first to move over to the new system from the previous Interform system. We have needed more time to process the data using the new systems as a result of this. We hope to continue to improve these processes but we ask users of this release to bear with us while we undergo this significant transition.

8. The **next quarterly release** will be published in June 2019 and will cover house building up to the March quarter 2019.

#### 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 collected and 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.gov.scot/Topics/Statistics/Browse/Housing-Regeneration/HSfS/NewBuild

Wales (house building statistics)

https://statswales.wales.gov.uk/Catalogue/Housing/New-House-Building

Northern Ireland (housing statistics)

https://www.finance-ni.gov.uk/topics/statistics-and-research/new-dwelling-statistics

#### Comparability between the countries of the UK

Each of the countries of the UK produces its own statistics on House Building. 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. Previously, 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 September 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 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.

Northern Ireland data prior to 2005 is sourced from the Department of Communities, which use different definitions and adjust their data. Further information can be viewed on the Department for Communities website at:

https://www.communities-ni.gov.uk/publications/review-new-dwelling-starts-and-completions

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.

# **Enquiries**

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#### Public enquiries and Responsible Statistician:

Nicholas Mainwaring

Email: housing.statistics@communities.gov.uk

Information on Official Statistics is available via the UK Statistics Authority website: <a href="https://www.gov.uk/government/statistics/announcements">https://www.gov.uk/government/statistics/announcements</a>

Information about statistics at MHCLG is available via the Ministry's website: <a href="https://www.gov.uk/government/organisations/ministry-of-housing-communities-and-local-government/about/statistics">www.gov.uk/government/organisations/ministry-of-housing-communities-and-local-government/about/statistics</a>

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This document/publication is also available on our website at www.gov.uk/mhclg

If you have any enquiries regarding this document/publication, email <a href="mailto:contactus@communities.gov.uk">contactus@communities.gov.uk</a> or write to us at:

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